

Joseph Ellin's Commentary on "Owning up to a Failure"

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Owning up to a Failure

I

In the course of a meeting with the customer XYZ, R&M engineer Walt Winters understands that failure of a part was the fault of R&M, probably due to insufficient testing. Should he blurt out this insight then and there? No, one should not talk about internal company problems in the presence of the customer. Call a recess, or wait. Walt's insight is confidential to R&M, and might embarrass them and cost them money and customer confidence. Wantonly damaging your own company is not appropriate behavior.

At the same time, what is left on the table is that R&M, through Norm, has asserted that the equipment is fine; which it isn't. Perhaps Walt should have called a recess in order to persuade Norm to abandon this position, if not expressly, at least implicitly. The engineer has the responsibility to see that management does not repeat errors, even if they might not confess to having made them.

II

Walt says nothing, and R&M people work out a solution with XYZ without admitting any fault. The solution presumably satisfies the customer, so it's not clear why R&M should have to go further. Nor is there any indication that XYZ is harmed in some way by R&M's failure to confess error. XYZ is free to draw their own conclusions about what went wrong; if they want R&M to tell them, then can make further inquiries. Nothing is to be gained at this point by Walt going further than management wishes to go. Candor is fine, but at times serves no purpose and can

be counter-productive.



The lesson Walt might learn is that honesty is one thing, discretion another. Here R&M used discretion in not revealing something they weren't asked about. No harm is done, the client is satisfied, and presumably R&M was prepared to be more candid if asked.

Can Walt learn anything from negotiator Norm's stonewalling by stating R&M's 'official position' that R&M wasn't at fault? Apparently Norm believes in playing 'hardball,' and Walt doesn't. But the case doesn't give enough information about this. Does 'hardball' lead into an adversary relationship which is ultimately detrimental to both parties? Is hardball necessary to avoid legal problems, or to get a better position should there be a legal dispute? Was it really necessary for Norm to go out on a limb and adopt an 'official position' which turned out to be mistaken, and which potentially could have been embarrassing for R&M to retract? In a sense, R&M is lucky that XYZ hasn't pushed matters further. They are also lucky that the failure was not of such a nature to cause XYZ serious problems, or R&M might have had the obligation to confess their error voluntarily. Walt might learn something about this from this case, but evidently there were no further consequences so maybe he didn't.