Expired expiry date

We have a free point in the statement of the problem. We do not know if the product really has expired or it is an error in the packaging expiry date. This uncertainty generates two different problems that they appear to have different result in the ethic behavior analysis.

1) Error in the expiry date

Applying the expanded model of ethical judgment making, we have:

Data gathering and analysis [1]:

- Utility: this theory states that the best choice in an ethical dilemma is that which produces the maximum benefit for the greater number of people. The key factors that they should be considered in determining the maximum benefit are: the number of people affected and the intensity and duration of the benefit or pleasure (or, conversely, the intensity and duration of the pain to be avoided). So, for this case, there are not pain to be avoided because the chips are in good conditions; the issue is resumed in a risk management (public perception) having in the market expired products. The management accepts to take the risk because they believe it is under control; the situation does not produce pain to any stakeholder (for the company, shareholders, etc could produce minor according to the management risk analysis). So, the behavior is ethical.

- Right: this theory basically states that every individual has rights simply by virtue of his or her existence. The right to life and the right to the maximum possible individual liberty and human dignity are fundamental; all other rights flow out of these most basic ones. Every individual’s rights must be recognized by others, who have a duty not to infringe on those rights. Duties are a consequence of personal rights. Under this theory, management people have the right to conduct their own risk in business and again; this behavior does not represent an ethical problem.

- Justice: this theory states that the goodness of an act, object, or person depended on the function or goal concerned. The concept of golden mean is essential under this theory where examining the extremes of excess or deficiency and then seeking the compromise between the extremes. Under this theory management have evaluated that the golden mean is the laissez-faire action. Again, no ethical concern is present.

- Caring: this theory states that every individual has a fundamental duty to act in a correct ethical manner. This theory belief of observation that each person’s conscience imposes absolute categorical imperative on that person to follow those courses of action which would be acceptable as universal principles for everyone to follow. Again, this issue it is more related with risk management than an ethical problem.

Judgment:
So, under the four ethical theories this case does not represent an ethical issue.

2) **Expiry product**

Applying the expanded model of ethical judgment making (with the definition described above), we have:

Data gathering and analysis:

- **Utility:** Applying this theory to this case, there are a true potential pain to be produced to people, shareholders and employees. There is a breach of the duty of care and the duty of warn; so, the management conduct represents an unethical behavior.
- **Right:** Under this theory the public have the right to be warned by a potentially dangerous product. Again, the management conduct represents an unethical behavior.
- **Justice:** the golden mean is moved to the public health and safety side and also the management conduct represent an unethical behavior according to this theory.
- **Caring:** this theory maximize the duty of care in the behavior of any person. The management people have breached this duty of care; so, the management conduct represents an unethical behavior.

Judgment:

So, under the four ethical theories this case represents an unethical issue and the amount of boxes does not represent an extenuating.

**PCC value chain model**

The PCC value chain is very broad and it provides to PCC of many stakeholders; some of the PCC stakeholders are: suppliers (e.g.: electricity, natural gas, fuels, machinery, fertilizer, telephone, internet providers), employees (e.g.: farms, warehouse, factory, transportation), investors, retailers, customers, outsourcing companies (e.g.: transportation people (trucks, train), warehouse, retailers), local communities (e.g.: where the factory, warehouses, farms are located), governments (municipal, provincial, federal).

The impact of any unethical behaviour practiced by managers of PCC will have different impact in the PCC business in dependence of the link in the PCC value chain that it could be affected. All unethical behaviour related with the final product could have a higher effect in the PCC business. The PCC value chain could be seeing as a funnel, many inputs with a dominant output, the chips. If the output is affected, the damage could be higher (such as plug in the funnel), but is one of the input is affected, probably it could be
easier to decrease the impact in the PCC business. We could think in many examples showing this difference, I will mention two cases to show the different effect in the PCC business and stakeholders:

- Serious event affecting the final product: the salt supplier had made a mistake and it provides to PCC with salt with high content of sodium sulphate. Usually, the amount of sodium sulphate is very low, but a new salt extraction and purification process failed; PCC used this salt to produce thousands of bags that they will be exported to third world countries with light and permeable regulations. Although the product is not poisonous, the sodium sulphate can cause temporary asthma or eye irritation [2]; PCC managers detect the problem, but they don't take other action that to be sure that all this production goes to specific countries. The consequences could be disastrous for the company and all stakeholders. Minamata Bay case in Japan with mercury poisoning it is an example of that [1].

- Event affecting a specific group of stakeholders: a PCC manager has a target to reduce cost in transportation. He develops a feasibility study including the business case. The directory approves the project; in the tendering process he received four proposals from different providers but the lower cost is twice higher than the estimated. The manager does not want to appear as inexpert, and he starts a shopping process between the four providers. This shopping is considered unethical (but not necessary illegal [3]) and it produces that the four providers withdraw the offers and start a legal process against PCC for breach of contract to succeed. As result, PCC could lose a lot of money in legal process, providers and reputation in the sector without getting a solution for the initial problem.

This case does not affect the whole PCC business but a group of stakeholders.

**PCC stance**

We could see the stance spectrum definition on page 93 of our referred book.

For the case where the problem is only with the stamped expiry date but not with the product, the PCC manager behaviour matches between Defensive and Accommodative Stances. This event looks not to be an ethic problem and there is not risk to the public.

For the case where the product is expired, PCC break regulations and does not any effort so fix social problems. This case matches with Obstructionist stance.

My recommendations to PCC are not black or white, the recommended baseline is Defensive stance, but in dependence of many factors it would be increase it to Accommodative stance or Proactive stance. These factors are based in the analysis of cost-benefit for PCC in a global, multi-stage and multi-temporal point of view. This means to find the optimal point of work taking into consideration all possible and measurable/estimable factors.
Gustavo