

Case Study: Engineering Ethics in a Technology Startup

Applying the Institute of Electrical and Electronics Engineers code of ethics

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Resources

IEEE Code of Ethics: <https://www.ieee.org/about/corporate/governance/p7-8.html>

Introduction

A business's reputation and brand name depends upon the behavior and values of that business. Businesses should be socially responsive, fair and just, with a positive reputation for business conduct. Engineering entrepreneurs must confront ethical challenges such as engineering design reliability and salespeople's ethical standards. Ethical decisions in sales include: intentionally misrepresenting a faulty product, economic tradeoffs, short-term v. long-term gain. In general, a company's beliefs and values matter, along with business conduct and the representation of facts to customers and investors.

This case study attempts to identify the specific ethical issues and obligations of an entrepreneur and his employees in making decisions for his startup company.

The Case

Tina is a new hire at a startup company that produces very expensive security cameras primarily for large organizations. Tina is hired to engineer and troubleshoot malfunctioning cameras.

One day, one of its Fortune 500 customers reported to Tina that a number of the cameras out of its last big shipment were not functioning properly. The customer also informed Tina that the serial and revision numbers on these units were different from the rest of the units.

Tina's technicians inspected the cameras. Based on the results of their inspection, Tina realized that her company sold units that were from a bad batch. Tina wanted to tell the customer why the units failed, but recognized that if she disclosed this information, the customer would be eligible to receive replacement units at no additional cost. On the other hand, if she blamed the failing units on something else, such as improper care, her company would be able to charge the customer for replacement units.

As a recent hire, Tina decided to discuss the case with David, the owner of the startup. David told her that she should minimize his company's losses. Tina is concerned with her job security. But she also wanted to be honest with this major customer.

Questions:

1. What are the ethical issues in this case?
2. Who are the actors and what is their obligation in this case?
3. Would the issue in the case have occurred if the actors followed the IEEE code of ethics (<https://www.ieee.org/about/corporate/governance/p7-8.html>)?
4. What sections of the IEEE code of ethics would have been relevant in this case?
5. Should Tina's personal beliefs play a role in this case? What about the personal beliefs of David?
6. What should Tina do? Does she have a moral obligation to obey or disobey the owner? Why?

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