Part of BP’s training problems, the panel concluded, stems from a lack of financial backing and workforce. That was especially evident at Texas City, where the training budget plummeted from $2.8 million in 1998 to $1.7 million in 2005, the year of the blast, the report stated. Full-time employees devoted to training also dipped from 28 to 9 in the same period. Even then, some of those training coordinators spent as little as 5 percent of their time actually training, the report said. Steve Erickson, executive director of the Gulf Coast Process Technology Alliance, said BP isn’t the only oil company that has reduced training positions in recent years as more training has been done by computer. Erickson, whose alliance advocates the hiring of degreed process technicians, said computer training is a good alternative to classroom training when it comes to “general” instruction. But computers should not take the place of well-qualified people who know the peculiarities of a specific plant’s equipment, he said. He said simulators, similar to those used in the aviation industry, are very helpful because they teach workers how to react in emergency situations. Simulation technology had been “horrrendously expensive” but has become more affordable in recent years, Erickson said.

Union officials hope to finalize new training agreements with BP at a meeting at the end of this month, said Kim Nibarger, coordinator of the United Steelworkers’ Triangle of Prevention Program. He said the union safety trainers have long favored a more hands-on approach to training than the use of computer programs and testing. “We train on the small-group level,” he said. “That’s the way adults learn.”

Questions

1. What would Faden and Beauchamp say about BP’s worker safety practices? Explain.
2. What would Boatright say about BP’s worker safety practices? Explain.
3. How would you characterize BP’s attitude toward its workers at the Texas City refinery? Is that attitude ethically acceptable in your judgment? Explain.
4. Does BP’s attitude seem more consistent with the stockholder view of the purpose of the corporation or the stakeholder view? Why? Explain.

Case 5. Roger Boisjoly and the Challenger Disaster: Disloyal Employee or Courageous Whistle-Blower?

In the winter of 1985 Morton Thiokol Inc. engineer Roger Boisjoly conducted postflight analysis on the rocket boosters from NASA’s STS 51-C Discovery. Morton Thiokol managed the reusable rocket booster program for NASA’s space shuttle program, and
Boisjoly was one of their leading rocket experts. The booster rockets were designed to be reusable like the shuttle itself. After each launch the rockets would detach from the shuttle and its external fuel tank and parachute back to Earth, landing in the ocean, where they would be recovered by special ships. Experts at Thiokol would then examine and refurbish the rockets so that they could be used again. On this occasion Boisjoly discovered a problem. The rockets from STS 51-C exhibited signs of failed O-ring seals and what is known as “hot-gas blowby,” which occurs when ignited fuel leaks from joints in the rocket assembly. The leaking fuel acts as a blowtorch on either the shuttle itself or on the giant liquid hydrogen fuel tank. Alarmed by these findings, Boisjoly wrote to his boss, R. K. Lund, Vice President of Engineering for Morton Thiokol, and reported that “we stand in jeopardy of losing a flight.” A five-member Seal Erosion Task Force was assigned to address the problem. Boisjoly and the other members of the task force concluded that lower launch temperatures greatly affected the reliability of the O-ring seal. Further evidence of hot-gas blowby was detected on STS-61-A Challenger in October 1985. This evidence convinced the Seal Erosion Task Force that it was not safe to launch until the O-ring problem was resolved.

On January 28, 1986, STS-51L Challenger was scheduled for launch with a predicted temperature of 18°F at the launch pad. This mission would carry a seven-person crew including Christa McAuliffe, a New Hampshire school-teacher, who had been selected from 11,000 applicants to be the first “teacher in space.” Thousands of U.S. school children would watch the launch live from their classrooms and school auditoriums. That evening, during his State of the Union address, President Ronald Reagan planned to congratulate McAuliffe and her fellow astronauts. On January 27th Boisjoly and other engineers succeeded in persuading Thiokol management to scrub the launch. This decision angered NASA rocket booster manager Larry Mulloy, who applied pressure on senior managers at Thiokol. Mulloy argued that it was not reasonable for Thiokol to change their judgment about the launch parameters of the rockets they had built for NASA. A Morton Thiokol management team composed in part by Lund; Jerry Mason, Thiokol’s Senior Vice President of the 7,000-employee Wasatch Operations in Utah; and Joe Kilminister, Vice President of Space Booster Programs, voted to override the judgment of their engineers and gave NASA permission to launch. On January 28th, approximately 73 seconds after launch, hot-gas blowby from failed O-ring seals resulted in a catastrophic explosion and the loss of the Challenger and her crew. The prediction of Boisjoly and the Seal Erosion Task Force team had come true.

President Reagan appointed a commission to look into the reasons for the disaster. The Rogers Commission interviewed nearly everyone involved in the decision to allow the Challenger to launch, including Roger Boisjoly. During their interviews with the commission, Boisjoly and fellow engineer Arnie Thompson truthfully reported the sequence of events leading to the disaster. In so doing they repeatedly contradicted the testimony of senior Morton Thiokol managers including Kilminister. Because Boisjoly believed senior management was engaged in a cover-up, he provided copies of memos and activity reports to the Rogers Commission that supported his and Thompson’s version of the events preceding the Challenger launch. Boisjoly justified his actions as follows: “I thought it was unconscionable that Morton Thiokol and NASA wouldn’t tell the whole truth so that the program could go forward with proper corrective measures.” As a result of the
testimony of Boisjoly and Thompson, Morton Thiokol was roundly criticized by Congress, the Roger's Commission, and the press. Senior Morton Thiokol management chastised Boisjoly and Thompson for airing the company's dirty laundry and for being disloyal employees.

When he returned to work at Morton Thiokol Wasatch Operations, Boisjoly found that he was ostracized by management and removed from responsibility for the redesign of the rocket booster. He could not understand why his expertise was not being utilized in the redesign effort. Eventually he discovered that he had been intentionally isolated from NASA on the orders of Edward Garrison, Morton Thiokol's President of Aerospace Operations. Boisjoly felt that his work environment had become hostile toward him. Eventually, the psychological strain became too great, and he took sick leave and eventually resigned from Morton Thiokol.

**NOTES**


**Questions**

1. Do you regard Boisjoly as a disloyal employee or a heroic whistle-blower? Why?
3. What, if anything, ought Morton Thiokol managers have done differently? Explain.

**CASE 6. The Reluctant Security Guard**

David Tuff, 24, is a security guard who has been working for the past 17 months for the Blue Mountain Company in Minneapolis, Minnesota. Blue Mountain manages and operates retail shopping malls in several midwestern states. The company has a security services division that trains and supplies mall security guards, including those for the Village Square Mall where Tuff has been employed.

Minnesota state and local laws require that security officers be licensed and approved by the county police department. Security officers are required to obey the police unit's rules. Tuff completed the required training, passed the security guard compulsory examination, and was issued a license. Tuff has consistently carried out his guard duties conscientiously. Previously a four-year military policeman in the U.S. Marine Corps, his commanding officer had praised both his service and his integrity.

Part of his job training at Blue Mountain required that Tuff learn the procedures found in the Security Officer's Manual, which uses military regulations as a model. Two sections of this manual are worded as follows:

**Section V, subsection D.**

Should a serious accident or crime, including all felonies, occur on the premises of the licensee,