Teacher Resource #2:

A Case Study in Values and Corporate Decision-Making

In 1982, someone laced Tylenol capsules with highly poisonous potassium cyanide, causing several deaths and alarm around the country. Johnson & Johnson, the manufacturer of the product, acted quickly and embarked on an active media campaign to issue mass warnings. They immediately recalled the more than 31 million bottles of Tylenol in circulation. Johnson & Johnson offered replacement Tylenol to those who returned pills already purchased. They also offered a reward for information leading to the apprehension of the individual or people involved in the poisonings.

Prior to the poisonings, Tylenol controlled more than 35 percent of the over-the-counter pain reliever market; just a few weeks later, that number sat at less than eight percent. However, because of its swift and aggressive handling of the matter, as well as the introduction of new safety protocols, Johnson & Johnson’s Tylenol regained its market share and continues to be a popular product to this day.

The company’s values are reflected in its credo, which begins, “We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality.” In this case, the company credo was demonstrated in its behavior during the aftermath of a tragedy.

Questions to discuss:

1. Based on the case study, what values are important to the manufacturer?
2. How are corporate decisions and behaviors linked to values?
3. How can a company ensure it is staying true to its core values?

*Source:* [*“How the Tylenol Murders of 1982 Changed the Way We Consume Medicine”*](http://www.pbs.org/newshour/updates/tylenol-murders-1982/) *(*[*http://www.pbs.org/newshour/updates/tylenol-murders-1982/*](http://www.pbs.org/newshour/updates/tylenol-murders-1982/)*), PBS, September 19, 2014.

Full text of* [*“Our Credo”*](https://www.jnj.com/about-jnj/jnj-credo) *(*[*https://www.jnj.com/about-jnj/jnj-credo*](https://www.jnj.com/about-jnj/jnj-credo)*), Johnson & Johnson.*