Case Study 1: Family Business

*Topic:* Compensation/Discrimination

*Characters:* Jane, Manager, Payroll Department for R&S Electronic Service Company

Brad, Owner of 1tdcS Electronic Service Company

Eddie, General Manager

Greg, Service Technician and Eddie’s brother

Jane has just been hired as the head of the Payroll Department at R&S Electronics Service

Company, a firm of 75 employees. She was hired by Eddie, the General Manager of the

company, who informed her of the need for maintaining strict confidentiality regarding

employee salaries and pay scales. He also informed her that he fired the previous Payroll

Department head for breaking that confidentiality by discussing employees’ salaries. She

was also formally introduced to Brad, the owner, who told her to see him if she has any

questions or problems. Both Brad and Eddie made her feel welcome.

After three months of employment, Jane begins to wonder why Greg makes so much more in

commissions than the other service technicians. She assumes that he must be highly

qualified and must work rapidly because she has overheard Brad commending Greg on his

performance on several occasions. She has also noticed Brad, Eddie, and Greg having lunch

together frequently.

One day, Eddie gives Jane the stack of work tickets for the service technicians for the

upcoming week. The technicians are to take whatever ticket is on top when they finish the

job they were working on. After putting the tickets where they belong, Jane remembers she

has a doctor’s appointment the next morning and returns to Eddie’s office to tell him she will

be reporting late for work. When she enters Eddies office, she sees Eddie give Greg a

separate stack of work tickets. As she stands there, Eddie tells her if she mentions this to

anyone, he will fire her. Jane is upset because she understands that Eddie is giving the easier,

high-commission work to his brother. Jane also realizes that Eddie does have the authority to

hire and fire her. Since she has only been at the company a short time, she is also still on

probation. This is her first job since college. She wonders what she should do.

1: Family Business

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 *\**Ask questions based on a “utilitarian” perspective (costs and benefits). For example:

1. Which possible alternative would provide the greatest benefit to the greatest number?

2. How would costs be measured in this vignette? How much value should be placed

on the right to equal opportunity for equal pay?

3. Which alternative will allow the organization to retain quality technicians in the long term?

 \*Ask questions based on a “rights” perspective. For example:

1. What does each employee have a right to expect in terms of equitable treatment with

 regard to pay and commission opportunities?

2. Which alternative would you not want if you were a service technician?

 \*Ask questions based on a “justice” perspective (benefits and burdens). For example:

1. Which alternative distributes the benefits and burdens most fairly among the employees? The

 stakeholders?

2. Which employees carry the greatest burden if Jane does nothing?

3. Is it fair and ethical if all the technicians do not have the same monetary opportunities?

4. Do all the employees have a right to equitable, fair treatment, even in a small company?

*F. What Actions Should Be Taken?*

1. What actions should Jane take?

2. Which alternative would you choose if you were in her position?

3. Why would you make that choice?

4. Which ethical theories (utilitarian, rights, justice) make the most sense to you as they relate to

 this situation?

5. How can this situation be prevented from occurring again?

*Author:* Dr. Marilyn M. Helms, Associate Professor of Management, University of Tennessee at

 Chattanooga.

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Case Study 2: Something’s Rotten in Hondo

*Topic:* Environment

*Characters:*

George, Plant manager

Bill, George’s boss

George Mackee thought of himself as bright, energetic, and [having] lots of potential. So why was this happening to me, he thought. George, married, two children, with his wife, Mary, had moved to Hondo, Texas, from El Paso four years ago and was now the manager of Ardnak Plastic Inc., a small plant that manufactured plastic parts for small equipment. The plant employed several hundred workers, which was a substantial portion of the population of Hondo. Ardnak Plastics Inc. had several small plants the size of Hondo’s, and George had a good relationship with Bill, his boss, in Austin, Texas.

One of the problems George’s plant had was that the smokestack emissions were consistently above EPA guidelines. Several months ago George got a call from Bill, stating that the EPA had contacted him about the problem and fines would be levied. George admitted the situation was a continual problem, but because headquarters would not invest in new smokestack scrubbers, he didn’t know what to do. Bill replied by saying that margins were at their limits and there was no money for new scrubbers. Besides, Bill commented, other plants were in worse shape than his and they were passing EPA standards. George ended the conversation by assuring Bill that he would look into the matter. He immediately

started calling his contemporaries at other Ardnak plants. He found they were scheduling their heavy emissions work at night so that during the day when the EPA took their sporadic readings they were within standards. George contemplated this option even though it would result in increasing air contamination levels.

A month went by, and George still had not found a solution. The phone rang; it was Bill. Bill

expressed his displeasure with the new fines for the month and reminded George that there were very few jobs out in the industry. That’s when Bill dropped the whole thing into George's lap. Bill had been speaking to the Mexican government and had received assurances that no such clean air restrictions would be imposed on Ardnak if they relocated 15 miles south of Hondo in Mexico. However, Ardnak must hire Mexican workers. Bill explained that the reason for relocating would be to eliminate the EPA problems. Bill told George he had one week to decide whether to eliminate the fines by correcting the current problems or by relocating.

George knew that relocating the plant on the Mexican side would devastate the infrastructure

of the city of Hondo and would continue to put contaminants into the air on the U.S. side. After mentioning the possibility to Mary, other concerns were reinforced. She did not want him to be responsible for the loss of jobs for their friends and extended families. What should George do?

*Author:* Dr. John Fraedrich, Assistant Professor of Marketing, Southern Illinois University

2: Something’s Rotten in Hondo

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E*. *What Are the Ethics of the Alternatives?*

 \*Ask questions based on a “utilitarian” perspective (costs and benefits). For example:

1. Which possible alternative provides the greatest net benefit to the greatest number?

2. How would costs be measured in this situation(employment levels in Hondo, emissions

 levels, plant profits, etc.)?

3. Do the benefits of moving the plant to Mexico outweigh the costs of loss of jobs or continued

 high emissions?

 \*Ask questions based on a “rights” perspective. For example:

1. What rights does each stakeholder have in this situation?

2. Which alternative(s) would not respect your rights if you were a plant worker? A citizen of

 Hondo? A stockholder in Ardnak Plastics Inc.? George?

 \*Ask questions based on a “justice” perspective (benefits and burdens). For example:

1. Which alternative distributes the benefits and burdens most fairly among the stakeholders?

2. Which stakeholders carry the greatest burden if the plant moves to Mexico? If heavy emissions

 occur at night?

3. Is it fair for manufacturing plants to find expedient ways to avoid reducing levels of pollution?

 Why or why not?

*F. What Actions Should Be Taken?*

1. What action steps should George take?

2. What alternative would you choose if you were George? Why?

Case Study 3: Stubbs

*Topic:* Production (Product and Workplace Safety)

*Characters:*

Nick (Stubbs), Punch Press Operator

Tom, Loss Control Specialist

Annette, Manager of Human Resources

Stubbs is somewhat of a celebrity around the tool and die plant, a subsidiary of a large steel

company. Six years ago, Stubbs (whose real name is Nick) had an accident involving a punch press. Tom, the new Loss Control Specialist, recently asked his boss, Annette, the Manager of Human Resources, to describe what happened. Apparently, Stubbs was using a machine that required the use of both hands to hold down machine buttons when starting and releasing the machine from cycling. Well, Stubbs decided that he could increase his piece rate if he depressed one of the buttons with his knee and used his free hand to move parts in and out of the machine. One day Stubbs placed his left hand in what is known as the “pinch point” of the punch press die areas while the machine was inadvertently activated. Three of

“Stubb’s” fingers were permanently severed, [whence] his nickname.

Though he received a workers’ compensation settlement for the loss of those three fingers shortly after the incident, he has just filed a lawsuit against the company that originally manufactured the punch press machine. Furthermore, all punch press maintenance and inspection records preceding the incident are being subpoenaed. However, the company has responded that it abides by OSHA (Occupational Safety and Health Administration) regulations and record keeping (i.e., maintains records for only five years).

Tom and Annette know that OSHA requires that they keep records on machine use for five years. To date, Tom has uncovered over ten years of machine use activity. His boss, Annette, read through the compiled files and realized that some of the older records seriously exposed the company to damages. For instance, within those records is a citing by OSHA for a lack of safeguards (e.g., limit switches, electronic field sensors, plexiglass shields, and barrier guards) on the equipment. Such safeguards may have prevented the accident. Moreover, Annette knows that it is likely the manufacturer would countersue her company or use any machine records in its plea of innocent. As a result, she tells Tom to throw out all the older records. Finally, she orders Tom to have the piece of equipment chopped up and scrapped as quickly as possible so the lack of safeguarding devices couldn’t be proven. Tom now ponders what he is asked to do. One thing he thinks about is whether this act would harm or help his friend Stubbs’ chances for collection from the manufacturer (or the company he worked for). Either company could afford a few million, but “What about Stubbs?”

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3: Stubbs

*A. What Are the Relevant Facts?*

B. *What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Ask questions from a “utilitarian” perspective. For example:

1. Which alternative would produce the greatest benefit to the greatest number of stakeholders?

2. How would you measure costs and benefits?

 \*Ask questions from a “rights and duties” viewpoint. For example:

1. What rights does each stakeholder have?

2. Does society expect a high sense of duty from specialists like Tom?

 \*Ask questions from a “justice or fairness” perspective. For example:

1. Which alternative distributes the burdens most fairly to the stakeholders?

2. Does Tom need to get his instructions in writing to ensure a fair distribution of possible future

 burdens?

*F*. *What Actions Should Be Taken?*

1. What actions should Tom take?

2. Which alternatives would you choose if you were in Tom's shoes, and why?

3. Will Tom have any problems implementing his decision?

Case Study 4: Sexual Harassment

*Topic:* Human Resource Management/Sexual Harassment

*Characters:*

Paula, Management trainee in the Production Department of a

medium-sized company

Steve, Vice President of Production and Paula’s Manager

Richard, Paula’s coworker and a Manager in Production

Paula, a recent college graduate, is a newly hired manager in the Production Department of a medium-sized US. company. The first woman selected for this production training position, Paula takes her work very seriously. She has been with the organization for three months. For the first two months, she performed her duties very well, but during the last month, Steve, her boss, has noticed a change in Paula. She seems more tense and uneasy and is not concentrating on her work as conscientiously as she previously did.

During the last month, Paula has been continually harassed by Richard, a coworker. At first she tried ignoring his jokes and sexual banter. However, his persistence has caused Paula to have very uncomfortable feelings while she is at work and at home as well. Paula looked into the employee’s handbook concerning sexual harassment policies and found none. She really did not know what to do.

Finally, after noticing her continually declining work, Steve asked her what was bothering her. She told him the problem and showed him information concerning the EEOC laws dealing with sexual harassment in the workplace she had found in a human resources textbook from college. She also said that she was considering taking action against Richard if his actions continued.

Steve told her he was totally unaware of the problem but agreed something should be done.

He asked her to investigate what the organization needed to do to stop this from occurring now and also to anyone else in the future. He also thanked Paula for her patience and honesty and also promised her that something would be done.

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4: Sexual Harassment

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E.* *What Are the Ethics of the Alternatives?*

 \*Ask questions from a “utilitarian” perspective:

1. What are the long-range costs for companies that fail to deal with the issue of sexual

 harassment? What benefits, if any, does a company receive if it fails to act on sexual

 harassment issues?

2. If Steve fails to deal with this incident of sexual harassment, what are the probable

 consequences?

3. Which way of dealing with this incident would produce the greatest benefits for all the

 stakeholders?

 \*Ask questions based on a “rights” perspective:

1. What rights does the victim expect?

2. What rights does the violator expect?

3. What rights does the company expect?

 \*Ask questions based on a “justice” perspective:

1. Which alternative would benefit the stakeholders the most fairly?

2. If nothing is done, which stakeholders would carry the greatest burden?

*F. What Actions Should Be Taken?*

1. What actions should Paula take?

2. Should Steve address this current problem before he asks Paula to draft a harassment policy for

 the organization?

3. Is Paula the best choice to develop this document?

4. Should Richard be fired? Punished?

5. What are the choices Steve can take, and which would you choose? Why?

6. What ethical theories make the most sense (utilitarian, rights, justice) *concerning* this case?

7. What actions should Steve take?

Case Study 5: Little Enough or Too Much

*Topic:* Environmental Protection

*Characters:*

Bryan, Manager in new product development with a large chemical

company

Bill Gates, Plant Supervisor and Bryan's superior

Bryan was recently hired by a large chemical company to oversee the construction of production facilities to produce a new product. X Chemical developed a new industrial lubricant which it felt it could produce at a price close to those of its competitors. The plant to manufacture the lubricant was built on land adjacent to the East River. X Chemical had already applied for and received the necessary permit to dump waste materials from the process in the river. Several other chemical plants in the near vicinity

are also releasing waste materials into the river.

Bryan is concerned because the government agency which oversees the permit process has granted X Chemical a permit to release more waste in the river than previously anticipated. An additional stage in the production process which would have reduced the waste and recycled some materials became unnecessary due to the regulatory agency's decision. Because the additional process would have added capital and production costs, it was not built as part of the existing plant. Yet, X Chemical has always stated publicly that it would do all that it could to protect the environment from harmful materials.

The company has had mediocre performance for several quarters, and everyone is anxious to see the new product do well. Tests have shown it to be a top-quality industrial lubricant which can now be produced at a cost significantly below these of their competitors. Orders have been flowing in, and the plant is selling everything it can produce. Morale in the company has increased significantly because of the success of the new product. Due to the success of the new product, all employees are looking forward to sizable bonuses from the company's profit sharing plan.

Bryan is upset that the company failed to build the additional stage on the plant and fears that the excess waste released today will cause problems for the company tomorrow. Bryan approaches Bill Gates, the Plant Supervisor, with his concerns. Bill replies, "It's up to the government agency to protect the river from excess waste, and the company only had to meet the agency's standards. The amount of waste being released poses no threat to the environment, according to the agency. The engineers and chemists who originally designed the production process must have been too conservative in their rtes. Even if the agency made a mistake, the additional recycling and waste reduction process can be added

later when it becomes necessary. At this point, building the additional process would require costly interruptions in the production process and might cause customers to switch to our competitors. Heck, environmental groups might become suspicious if production was stopped to add the additional process-they might see it as an admission of wrongdoing.

No one in the company wants to attract any *unwarranted attention* from the environmental groups. They give us enough trouble as it is. The best thing we can do is make money while the company can and deal with issues as they come up. Don't go trying to cause trouble without any proof. The company doesn't like troublemakers, so watch your step. You're *new here,* and you wouldn't want to have to find a new job."

Bryan is frustrated and upset. He can see all the benefits of the new product, but inside he is sure the company is making a short-sighted decision *which will* hurt them in the long run. The Vice President of Operations will tour the plant next week, and Bryan is considering approaching the officer with his corm. It might also be possible to contact the government agency and request that the permit be reviewed. Bryan is unsure what to do, but he feels he should do something.

Author: Originally developed by Eric Heist, graduate student at Washington University, as a class project in “Ethical Decision Making.” Edited and submitted by Dr. Raymond L. I3ilgert, Professor of Management and Industrial Relations, Washington University.

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5: Little Enough or Too Much

*A. What Are the Relevant Facts?*

*B.* *What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Ask questions based on a “utilitarian” perspective. For example:

1. What alternative results in the greatest benefits for the greatest number of people?

2. How should the costs of potential harmful waste be measured? How does this compare with the

 business costs of adding the additional process?

3. How do the benefits of being environmentally safe compare with those of following the

 government's standards?

4. Do the benefits of being true to the company’s public policy outweigh the profits possible by

 following the letter of the law?

 \*Ask questions based on a “rights” perspective. For example:

1. What rights do the various stakeholders have, including Bryan and the employees of X

 Chemical, stockholders, the communities dependent on East River, and recreational users of

 East River?

2. Does X Chemical or its employees have any duties, fiduciary or otherwise, to any of the

 stakeholders?

3. Are the rights of any of the stakeholders being violated by what the company is presently

 doing?

4. What does each stakeholder have a right to expect from the others?

5. How do the stakeholders outside X Chemical expect it to act?

6. Does X Chemical have any duty to the other stakeholders?

 \*Ask questions based on a “justice” perspective. For example:

1. Which alternatives most fairly distribute the benefits and burdens among the various

 stakeholders?

2. Which stakeholders carry the greatest burden in each alternative?

3. Can X Chemical ever recompense those wronged if they are indeed releasing a harmful

 amount of materials?

*G. What Actions Should Be Taken?*

1. What should Bryan do?

2. What would be the “best” action(s) to take?

3. What would you do if you were in Bryan’s position?

4. What ethical theories (utilitarian, rights, justice) seem most relevant to this situation? Which

 provides the clearest course of action? Is this necessarily the best course of action?

Case Study 6: Might Makes Right

*Topic:* Taking Credit for Work

*Characters:*

Janice, chief of research and development

John, Janice’s underpaid assistant

Janice is a highly educated top executive in charge of research and development. John is her

underpaid assistant, struggling to support his family. His performance evaluations have always been more than adequate.

As one of his research projects, John designs a creative software package that addresses major concerns within the company. He shares this program with Janice, hoping it will bring him a much needed promotion and raise. Janice’s boss has asked her to design an innovative and efficient program. But pressures of her position keep her from setting aside sufficient time to do the requested work.

Janice, eager to successfully complete the job her boss assigned, is thinking of presenting

John’s program to her boss and passing it off as her own. If John objects, she can threaten to lower his performance evaluations or possibly even fire him. If he agrees to go along with the scheme, she can give him a raise and a promotion.

What should Janice do?

*Author:* J. H. Coll

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6: Might Makes Right

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Ask questions based on a “utilitarian” perspective. For example:

1. Which alternative would provide the greatest benefit to the greatest number of stakeholders?

2. How would costs and benefits be measured?

3. What is the value of the public knowledge of ownership?

 \* Ask questions from a “rights and duties” viewpoint. For example:

1. What rights does each stakeholder have?

2. Who has the right of ownership for a program developed on company time?

 \*Ask questions based on a “justice or fairness” perspective. For example:

1. Which alternative distributes the benefits and burdens most fairly?

2. If John receives the promotion and raise that he wants, are the benefits being fairly distributed

to him if Janice claims authorship of the program?

*F. What Actions Should Be Taken?*

1. What alternative should Janice choose?

Case Study 7: Short Shorts

*Topic:* Workplace Policies and Discrimination

*Characters:*

Lucy, Employee at The Sandtrap

Don, Manager of The Sandtrap

Fred, Owner of The Sandtrap

Lucy, a college student, is a waitress at a popular eating and drinking establishment called

The Sandtrap, located on the local beach. This restaurant is known for nightly bands and great entertainment. The usual uniform for waitresses is jeans or similar long pants and a “Sandtrap” T-shirt.

Business is always good during the spring and summer months while everyone is vacationing, but during the winter months there is a steady decline. In an effort to improve business during the off-season months, Fred, the Sandtrap’s owner, tried a number of new strategies and gimmicks to increase patronage. A past plan was to include extended happy hour specials and complimentary finger foods to customers. His latest successful strategy is to require all waitresses to wear low-cut and tight-fitting shirts and very short shorts.

Sales have improved with the new dress, but there have also been some problems. Many male customers make lewd and abusive remarks to the waitresses, particularly after having several drinks. Lucy is tired of being abused by customers’ physical and verbal actions, so she consults Don, the manager, and tells him that she will no longer wear the skimpy outfit. Don tells her to wear the revealing attire for the present.

Now, in view of her complaints, Don has to decide what he is going to do. He is reluctant to allow Lucy to go back to the old uniform since he is convinced that the new, revealing clothing is drawing customers that the restaurant badly needs.

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7: Short Shorts

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Ask questions based on a “utilitarian” perspective (costs and benefits). For example:

1. Which possible alternative would provide the greatest benefit to the greatest number?

2. How would costs be measured in this situation? How much value should be placed on

 increasing sales at the expense of the safety and well-being of the waitresses?

3. Which alternative will allow the organization to retain competent waitresses? To attract

 customers?

 \*Ask questions based on a “rights” perspective. For example:

1. What does each employee have a right to expect with regard to dress?

2. Which alternative would you want if you were a waitress?

 \*Ask questions based on a “justice” perspective (benefits and burdens). For example:

1. Which alternative distributes the benefits and burdens most fairly among the employees? The

 stakeholders?

2. Which stakeholders carry the greatest burden if Don does nothing?

3. Are waiters given different treatment than waitresses in regard to the uniform because of their

 sex? Is there discrimination at the Sandtrap?

*F. What Actions Should Be Taken?*

1. What actions should Lucy take?

2. Which alternative would you choose if you were in her position? Why would you make that

 choice?

3. What ethical theories (utilitarian, rights, justice) make the most sense to you as they relate to

 this situation?

Case Study 8: Check Kiting

*Topic:* White Collar Crime

*Characters:*

Scott, operations manager at a small bank

Kathy, Scott’s coworker

“I found another check kiter,” said Kathy as she showed the checking account statement to

Scott. “It’s not a big one, though. Just a few hundred dollars.”

Check kiting increased when the local economy was bad. Customers took advantage of the

bank’s generous policy of not waiting until deposited checks had cleared before allowing the

customers to have access to the money. A check kiter deposited a bad check from another

bank in Scott’s bank. Then he or she wrote a check from Scott’s bank to cover the check

from the other bank, and so on. In effect, customers were able to withdraw money that they

didn’t have and cover it up with a series of bad checks back and forth between banks. Kiting

wasn’t easy--once it started, it required a steady stream of precisely timed checks--and it was

easy to spot the frequent identical deposits and withdrawals when you looked at the

statements.

Scott recognized the name on the statement as that of a close personal friend of his wife. He

certainly hadn’t thought she was dishonest, but she was a single mother, and it didn’t

surprise him that she might be having financial difficulties. It was tough when a friend put

you in this situation. What made it tougher, though, was that she was involved in an off

again, on-again personal relationship with Scott’s boss, and Scott wasn’t sure whether this

was an off-week or an on week. She was also the chief financial officer of the bank on which

she was writing checks, which explained how she was able to time her checks so well.

In a situation like this, Scott normally documented the case and gave the information to his

boss. Then Scott closed the account at his bank, called the customer, and notified the other

bank that bad checks were being returned. Whoever caught the kiter first was able to pass the

losses on to someone else. Check kiting was illegal, but when Scott used to call the local

police, they had always told him they weren’t interested. He hadn’t informed them about a

check kiter in over a year. But this case was different. It wasn’t obvious what Scott should

do or to whom he should talk.

*Author:* Elton G. McGoun, Assistant Professor of Finance, Bucknell University

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8: Check Kiting

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Ask questions based on a “utilitarian” perspective. For example:

1. Which alternative would provide the greatest benefit for the greatest number?

2. How would the costs and benefits be measured? How do you value the costs of a damaged

 reputation or the loss of a friend in comparison with the banking costs of check kiting? How do

 you measure the benefits of stopping the check kiting?

 \*Ask questions based on a “rights” perspective. For example:

1. What rights does each stakeholder have?

2. Which alternative would best respect these rights?

 \*Ask questions based on a “justice” perspective. For example:

1. Which alternative distributes the benefits and burdens most fairly among the stakeholders?

2. If the normal procedure is not followed in his case, is this fair to other check kiters?

*F. What Actions Should Be Taken?*

1. What actions should Scott take? Why?

2. Which of the ethical theories contributes most to your decision?

Case Study 9: But My Textbook Said This Would Work

*Topic:* Performance Appraisal

*Characters:*

Alice, a new manager of Training and Development in a large bank

Belinda, a teller-trainee who is black

Alice was hired last year as a first-line manager in the Training and Development

department of the bank where she has worked part-time for several years while earning her

bachelor’s degree in business. Her main responsibility is to train bank tellers. The bank is

very big on promotion from within, so most people start as tellers. The bank is also trying to

hire (and eventually promote) more racial minorities, because there aren’t a lot of minorities

on the staff. In fact, the bank has been the target of several discrimination lawsuits the last

few years and now wants to change its image of being a “racist” organization.

The bank’s classroom facility has training work stations of tellers’ equipment. When a

trainee is hired, training takes an entire work week, and each trainee is either passed or failed

at the end of the week. Each “class” of new trainees usually consists of about a dozen

people.

Alice has been using written and audiovisual materials developed by the bank. Also, she

took a class in Training while a student. Consequently, she knows that adults learn more

effectively when they are given positive reinforcement (for doing something correctly) and

constructive criticism (for making a mistake). So far, this has worked pretty well. Today,

however, three days into a session, she has been hit with a potentially serious complaint.

Belinda is a black teller-trainee. She seems to have a very hard time learning some of the

material, much more so than some of her counterparts. All of the other trainees happen to be

white. Because much of the training involves objective quizzes and hands-on computer

work, Alice knows that Belinda really did make a lot of mistakes. Alice had been careful to

point out Belinda’s many mistakes and explain how to correct them. Belinda, however, does

not appreciate the constructive criticism. She insists that Alice is treating her differently

because of her race and wants to file a formal complaint unless Alice lets up on her: “You’re

picking on me because I’m black. I don't see you picking on the white girls. I’d better pass

this training, or your company is in trouble.”

*Author:* Sue Margaret Norton, Assistant Professor of Business, University of

Wisconsin-Parkside

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9: But My Textbook Said This Would Work

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Ask questions from a “utilitarian” perspective. For example:

1. Which alternative would provide the greatest good for the greatest number?

2. How would costs/benefits be assessed? For example, what is the cost of refusing to evaluate

 Belinda differently? What is the cost (and the benefit) of hiring a minority? (Is an unqualified

 minority better than no minorities at all?) What is the cost of being honest with Belinda--telling

 her she simply isn’t doing well?

 \*Ask questions from a “rights” perspective. For example:

1. What rights does each stakeholder have? Does Belinda deserve special consideration/treatment

 merely because she’s a minority? Does the bank (and its customers) have the right to expect a

 certain level of performance?

 \*Ask questions from a “justice” perspective. For example:

1. Which alternative might distribute benefits and burdens most fairly? Who will benefit most

 (and be most burdened) by each of the alternatives? Is there a moral reason for treating Belinda

 differently from other trainees?

*F. What Actions Should Be Taken?*

1. What should Alice do? Why?

2. Which of the three ethical theories helped you the most in choosing an alternative?

Case Study 10: The Fitzgerald Machine Company

*Topic:* Production/Operations Management

*Characters:*

Don Bradish, recently hired to remedy problems meeting scheduled deliveries

Jane Fitzgerald, VP of Operations, daughter of the company president

The Fitzgerald Machine Company is a $25MM per year custom metal fabrication shop. It

has a work force of 30 machinists and 15 office personnel Don Bradish was hired from

Peptine Corporation three months ago as Fitzgerald’s production scheduler. His background

includes an undergraduate industrial engineering degree and three years of purchasing

experience with Peptine immediately after college. This made him a good fit for Fitzgerald’s

needs. He was hired by Jane Fitzgerald, Vice President of Operations and daughter of the

company president.

Recently the company has been having difficulty meeting delivery schedule deadlines. Don

was hired to improve the company’s performance in on-time deliveries. So far, he has been

learning the systems of the operations and studying possible solutions, but he has not yet

determined the best course of action to recommend.

On Friday, June 21, a $300,000 order, which had been in the shop for nearly two months,

was scheduled for shipment. On the Wednesday before scheduled delivery, the customer

called and asked that delivery be delayed due to a labor dispute and work stoppage at his

location. Although he expected the strike to be settled within one week or less, he was

concerned that delivery of the order from Fitzgerald during the strike might cause

unnecessary misunderstandings in the labor dispute. Don discussed this request with Jane,

and they agreed to accommodate the customer’s request on the condition that the customer

agree to being billed on the originally scheduled delivery date and to pay on the originally

contracted payment terms. The customer accepted those terms.

On Friday morning, June 21, the production manager reported to Don that the order would

not be completed as scheduled and would probably require at least one more week to finish.

Concerned about the impact of this delay on his job status, Don decided to investigate the

cause of the delay before informing Jane of the problem. Before he could complete his

inquiry, Jane called to inform him that she had just mailed the invoice for the order as agreed

She also suggested that Don negotiate with the customer a storage fee for the order, which

would be paid in addition to the billing arrangement. Don wondered what he should say to

Jane next.

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St. Francis de Sales

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10: The Fitzgerald Machine Company

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who Are the Primary Stakeholders?*

*D. What Are the Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Ask questions based on the “utilitarian” perspective (costs and benefits). For example:

1. Which alternative benefits the most stakeholders?

2. How would you measure costs in this vignette? Benefits?

3. Do the benefits which accrue to Don and the Fitzgerald Company offset the potential costs

 to the customer?

 \*Ask questions based on the “rights” perspective. For example:

1. Does the customer have a right to know about the missed deadline? Does Jane have a right to

know about the missed deadline? Does Don have the right to withhold information from Jane?

Do the stockholders of Fitzgerald have the right to know about any of these activities?

2. Whose rights are addressed by each of the alternatives?

 \*Ask questions based on the “justice” perspective (benefits and burdens). For example:

1. How fairly does each of the alternative balance the benefits arid burdens among the various

 stakeholders?

2. Which stakeholders bear the most burden if Don withholds information from Jane?

*F. What Actions Should Be Taken?*

1. What should Don say to Jane on the phone?

2. How should the Fitzgerald Machine Company treat the customer in this situation?

3. What must be done to avoid such a situation in the future?

4. Which ethical perspective (utilitarian, rights, or justice) seems most appropriate in this

 vignette?

Case Study 11: Is Bob Special?

*Topic:* Training and Development

*Characters:*

Tom, senior auditor at a medium-sized CPA firm

Sam, second-year staff auditor

Bob, newly hired staff auditor

Tom is a senior auditor for a medium-sized CPA firm. As Tom is leaving the client’s

premises for the evening, he encounters Sam, one of his staff auditors.

*Tom:* Hi, Sam. What are you doing here so late? I thought you would have been gone by now.

*Sam:* I just finished doing the inventory with Bob. It took us 12 hours.

*Tom:* Well, we knew that would happen, so we had budgeted some extra time. But boy, 12 hours

 is still more than we had planned on.

*Sam:* We did fine in the warehouse, but on the outside inventory we ran into problems with Bob’s

 wheelchair. I tried to help him over some rough spots, but he just won’t accept help.

*Tom:* Did the client say anything about Bob’s being there?

*Sam:* No one said anything directly, but there were a lot of looks. Will Bob always be out in the

 field with us? Don’t get me wrong. I like working with him. He really does good work*,* but

 he slows me down. I guess I’ll see you in the morning*.*

*Tom:* Have a good night, Sam.

As Tom heads home for the evening, he ponders the issue:

“How did I get so lucky as to have Bob on my staff? I’m really glad he was hired; it’s about time we broke that barrier. Bob really performed well on that computer project last week. We even came in under budget. It is too bad my manager seems to think he won’t work out.”

“Maybe my manager has a point, though. If Bob ran into problems here, what will he do at the plant in New York where there’s no elevator… or, worse yet, at Pittsburgh with 50 steps and no ramp? The utility industry is our bread and butter. Bob can’t avoid these environmental problems.”

“Is my job to integrate Bob into the team? Or is it to get the work done efficiently? If Bob is going to succeed as an auditor, he needs all these experiences, but that cuts our efficiency. He will always be slower and will often need a coworker. Maybe I could assign him sampling and other computer jobs. He is really a whiz at those.

Maybe he’ll turn into an EDP auditor…”

But Bob has his own ideas:

 “I’m sure glad I got this job. My professors told me I didn’t have a good chance of getting

into public accounting. Even after I got here, I was afraid they wouldn’t send me out to any

clients for a while.”

“That inventory did take some extra time. I hope that’s not a problem. It is so much more

challenging than sitting in front of the computer all day. I'm really looking forward to my

next assignment.”

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11: Is Bob Special?

*A. What Are the Relevant Facts?*

*B. What Are the Ethical Issues?*

*C. Who are the stakeholders?*

*D. What Are the Possible Alternatives?*

*E. What Are the Ethics of the Alternatives?*

 \*Consider the various alternatives from a “utilitarian” (cost/benefit) perspective:

1. What are the costs and benefits of assigning Bob to do field work and the costs and benefits of

 putting him to work in the home office? What are the costs and benefits of the other potential

 alternatives?

2. How would you measure these costs and benefits, especially as they impact intangibles such as

 office morale, providing role models for disadvantaged groups, and client reactions?

3. Which alternative promises to result in the most benefits (or the fewest costs) for all the parties

 concerned?

 \*Evaluate the alternatives using a “rights” perspective.

1. Do all staff accountants have the right to expect equal treatment from their senior?

2. Does Bob have this right? Does Bob have any duties attached to this right?

3. Does Bob need to be assigned to field work like his peers in order to have self [esteem]?

4. Do Bob’s peers have the right to be free to choose whether or not to be his coworker?

 \*Consider the various alternatives from the “justice” perspective:

1. Which alternative distributes benefits and burdens most fairly among the stakeholders?

2. Which stakeholders(s) have the greatest burden in each alternative? Which stakeholder(s)

 receive the greatest benefit?

3. Does Bob have task related characteristics or needs which warrant treating him differently

 from his peers?

*F. What Actions Should Be Taken?*

 1. How should Tom handle Bob in his future scheduling activities?