

Using Company Resources

XYZ Corporation permits its employees to borrow company tools. Engineer Al House took full advantage of this privilege. He went one step further and ordered tools for his unit that would be useful for his home building projects even though they were of no significant use to his unit at XYZ. Engineer Michael Green had suspected for some time that Al was ordering tools for personal rather than company use, but he had no unambiguous evidence until he overheard a revealing conversation between Al and Bob Deal, a contract salesman from whom Al frequently purchased tools.

Michael was reluctant to directly confront Al. They had never gotten along well, and Al was a senior engineer who wielded a great deal of power over Michael in their unit. Michael was also reluctant to discuss the matter with the chief engineer of their unit, in whom he had little confidence or trust.

Eventually Michael decided to talk with the Contract Procurement Agent, whose immediate response was, "This really stinks." The Contract Procurement Agent agreed not to reveal that Michael had talked with him. He then called the chief engineer, indicating only that a reliable source had informed him about Al House's inappropriate purchases. In turn, the chief engineer confronted Al. Finally, Al House directly confronted each of the engineers in his unit he thought might have "ratted" on him. When Al questioned Michael, Michael denied any knowledge of what took place.

Later Michael explained to his wife, "I was forced to lie. I told Al, 'I don't know anything about this'." Discuss the ethical issues this case raises.

Gifts from a Supplier

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Scott Bennett is the engineer assigned to deal with vendors who supply needed parts to the Upscale Company. Larry Newman, sales representative from one of Upscale's regular vendors, plays in the same golf league as Scott. One evening they go off in the same foursome. Sometime during the round Scott mentions that he is really looking forward to vacationing in Florida next month. Larry says his uncle owns a condo in Florida that he rents out during the months he and his family are up north. Larry offers to see if the condo is available next month -- assuring Scott that the rental cost would be quite moderate. What should Scott say?

Larry tells Scott he can rent his uncle's condo for \$100 a week. "My uncle," Larry says, "gets nervous when he rents to total strangers. He likes to have reliable people stay in his condo; the condo is paid for, and my uncle isn't interested in making money on it -- he just wants a little help meeting basic operating expenses and the taxes." Scott accepts the offer and begins making plans for his vacation. Just before leaving, an Upscale vice president sends out a new policy statement that says, among other things: "Accepting incentives from vendors is strictly prohibited". What should Scott do?

Informing Employees About Layoffs

Tony decides to wait until after Christmas to inform the workers that they will be laid off and must deal with some problems as one worker finds out before the holiday.

Tony Furillo was looking forward to the afternoon to finish his Christmas shopping. It was the day before Christmas, and he had to work to finish up a last minute task. The 15 workers he supervised began their Christmas break the day before. They would not be returning until after New Year's. Just as Tony was finishing his task, Arnold Raskin, Vice-President of Manufacturing approached Tony.

"Tony, I know this is really bad timing, but it has to be done," Arnold began. "I've just come from an executive meeting. We have to lay off some people early next year. I'm afraid the ax has come down on your unit. By the end of January everyone will have to be laid off. We'll have to transfer you to another division. I want you to let them know as soon as possible--this afternoon."

Tony sat glumly at his desk for several minutes, pondering what to do. He thought, "If it were me, I sure wouldn't want my Christmas spoiled. Maybe I should wait until the day after Christmas to call everyone. I don't want to be a Scrooge."

Would it be all right for Tony to delay notification until the day after Christmas?

Tony decides to wait until after Christmas to inform the workers that they will be laid off. However, unknown to Tony, Arnold attends the same church as Ralph, one of the workers to be laid off. Arnold and Ralph do not regularly attend church, but both attend the Christmas Eve service. Arnold makes a special point of talking with Ralph and expressing his regret at the layoff. From the shocked look on Ralph's face, it is obvious to Arnold that Tony has said nothing to Ralph.

Later that evening Tony's phone rings. "I thought I told you to notify your workers this afternoon!" Arnold angrily begins. "I was really embarrassed at church tonight when I told Ralph how sorry I was."

How should Tony respond?

Like Tony, Shirley Vandermere had some last-minute Christmas decisions to make. Shirley, of course, was unaware that she was about to be laid off. This was the last day to decide whether to go ahead with the surprise European trip with her husband. Although the trip was not until February, reservations had to be secured before 5:00 pm today. What worried her was that the \$500 required deposit was non-refundable. She wanted to be sure her husband would be pleased with her idea, but she also wanted it to be a surprise. Finally, at 4:30 she got in her car and made a quick trip to the travel agency. She was sure Greg would be pleased. So, she wrote out a \$500 check.

How might she react when learning that Tony deliberately delayed until after Christmas to inform workers about the layoffs?

Dissent About Quality

This case is inspired by two brief case studies presented by Roy V. Hughson and Philip M. Kohn in *Chemical Engineer*, May 5, 1980: "The Falsified Data" and "The Falsified Data Strike Back." These are two of several brief case studies that they present. You might enjoy looking at the others. They are on pp. 100-107 of that issue.

A recent graduate of Engineering Tech, Bernie Reston has been employed in the Research and Development (R&D) Chemical Engineering Division of Larom, Inc. for the past several months. Bernie was recommended to Larom as the top Engineering Tech graduate in chemical engineering.

Alex Smith, the head of Bernie's unit, showed immediate interest in Bernie's research on processes using a particular catalyst (call it B). However, until last week, his work assignments at Larom were in other areas.

A meeting of engineers in Bernie's unit is called by Alex. He announces that the unit must make a recommendation within the next two days on what catalyst should be used by Larom in processing a major product. It is clear to everyone that Alex is anticipating a brief, decisive meeting. One of the senior engineers volunteers, "We've been working on projects like this for years, and catalyst A seems to be the obvious choice." Several others immediately concur. Alex looks around the room and, hearing no further comments, says, "Well, it looks like we're in accord on this. Do we have consensus?"

So far Bernie has said nothing. He is not sure what further testing will show, but the testing he has been doing for the past week provides preliminary evidence that catalyst B may actually be best for this process. This is also in line with what his research at Engineering Tech suggested with somewhat similar processes. If catalyst B should turn out to be preferable, a great deal of money will be saved; and, in the long run, a fair amount of time will be saved as well. Should he mention his findings at this time, or should he simply defer to the senior engineers, who seem as determined as Alex to bring matters to closure?

Bernie somewhat hesitantly raises his hand. He briefly explains his test results and the advantages catalyst B might provide. Then he suggests that the unit might want to delay its recommendation for another two weeks so that he can conduct further tests.

Alex replies, "We don't have two weeks. We have two days." He then asks Bernie to write up the report, leaving out the preliminary data he has gathered about catalyst B. He says, "It would be nice to do some more testing, but we just don't have the time. Besides, I doubt if anything would show up in the next two weeks to change our minds. This is one of those times we have to be decisive--and we have to look decisive and quit beating around the bush. They're really getting impatient on this one. Anyway, we've had a lot of experience in this area."

Bernie replies that, even if the data on B is left out, the data on A is hardly conclusive. Alex replies, "Look you're a bright person. You can make the numbers look good without much difficulty--do the math backwards if you have to. Just get the report done in the next two days!"

Bernie likes working for Larom, and he feels lucky to have landed such a good job right out of Engineering Tech. He is also due for a significant pay raise soon if he plays his cards right.

What do you think Bernie should do? Explain your choice.

1. Write up the report as Alex says.
2. Refuse to write up the report, saying he will have no part in falsifying a report.
3. Other.

Bernie decides to write up the report. When he is finished, Alex asks him to sign it. Bernie now has second thoughts. He wonders if he should sign his name to a report that omits his preliminary research on catalyst B. Should he sign it?

Bernie has now had more time to do research on catalyst B. After several weeks his research quite decisively indicates that, contrary to the expectations of Alex and the other more experienced engineers in the unit, catalyst B really would have been, far and away, the better choice. What should Bernie do now?

1. Keep the data to himself--don't make trouble.
2. Tell Alex and let him decide what, if anything, to do.
3. Other.

Bernie decides to say nothing. Although Larom has lost a lot of money by investing in an inferior catalyst, it is quite possible that this is the end of the matter for Bernie. The customer never complains, and no one outside at Larom raises any questions. However, it might go otherwise. Suppose a Larom competitor discovers that catalyst B is better for this type of work and it begins receiving contracts that Larom would normally be awarded. Further, what if Alex's superior then makes an inquiry into why his unit has missed out on this development?

Bernie tries to convince Alex that a straightforward report should be submitted. Since there is a virtual consensus in the unit that catalyst A is best, A can be recommended. But the preliminary evidence about B can also be mentioned. After all, Bernie suggests, if the entire unit is convinced that A is best despite the preliminary evidence about B, why wouldn't those outside the unit be persuaded by the received wisdom of the unit? If they aren't persuaded, perhaps they will grant the unit more time to continue the research on B.

Somewhat to his surprise, Bernie finds Alex and the others receptive to his suggestion. The preliminary evidence about catalyst B is included in the report, even though A is recommended.

Unfortunately, Alex's superiors are very upset with the recommendation. They are unwilling to go ahead with the project without further testing, but they bitterly complain that the further delay will be very costly. Alex is severely criticised for not having a more convincing set of data. He, in turn, blames his staff, especially Bernie, the new specialist in this area. Bernie, Alex tells his superiors, failed to complete the necessary testing in a timely fashion. Alex tells his superiors that he should have supervised Bernie's work more closely, and he assures them that he will not let matters get out of

control again. Although Bernie is not fired, he is not promoted and his salary is frozen for another year. What should he do?

1. Nothing. No good will come from complaining.
2. Confront Alex, telling him what you think of what he has done, but carrying it no further.
3. Other.

Bernie decides he has nothing to gain from complaining to Alex or anyone else about becoming the "scapegoat" of the project. So, he keeps quiet. Sometime later, Alex is being considered for promotion to another division. Members of Bernie's unit are privately interviewed about his performance in the unit. Bernie is told that his comments will be kept confidential. What should he say in his interview?

Bernie says nothing negative about Alex in the interview. None of the others in the unit do either. Alex is promoted to another division. However, a year later it is discovered that he has directed someone in his new division to falsify data for reasons very similar to those in Bernie's original situation. The new person does what Alex asks. The result is a significant loss of money to Larom--only this time there is an expensive product-liability lawsuit relating to an unsafe Larom product. An inquiry takes place. The person who has falsified the report says that Alex has often requested that data be falsified--and that he typically has gotten young engineers to do the "dirty work" for him. So, it comes back to Bernie. He is asked why he didn't report Alex's orders to falsify data when the matter first came up. Bernie is accused of being partly responsible for allowing Alex to be promoted--with the resulting harm to others and loss of money and reputation to Larom.

Exceeding Pollution Limits

Marvin has just prepared a report that indicates that the level of pollution in the plant's water discharges slightly exceeds the legal limitations. However, there is little reason to believe that this excessive amount poses any danger to people in the area; at worst, it will endanger a small number of fish. On the other hand, solving the problem will cost the plant more than \$200,000.

Marvin Johnson is Environmental Engineer for Wolfog Manufacturing, one of several local plants whose water discharges flow into a lake in a flourishing tourist area. Included in Marvin's responsibilities is the monitoring of water and air discharges at his plant and the periodic preparation of reports to be submitted to the Department of Natural Resources.

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Marvin's supervisor, Plant Manager Edgar Owens, says the excess should be regarded as a mere "technicality," and he asks Marvin to "adjust" the data so that the plant appears to be in compliance. He explains: "We can't afford the \$200,000. It might even cost a few jobs. No doubt it would set us

behind our competitors. Besides the bad publicity we'd get, it might scare off some of tourist industry, making it worse for everybody."

How do you think Marvin should respond to Edgar's request?

No doubt many people in the area besides Marvin Johnson and Edgar Owens have an important stake in how Marvin responds to Edgar's request. How many kinds of people who have a stake in this can you think of? [E.g., employees at Wolfog.]

Deborah Randle works for the Department of Natural Resources. One of her major responsibilities is to evaluate periodic water and air discharge reports from local industry to see if they are in compliance with anti-pollution requirements. Do you think Deborah would agree with the Plant Manager's idea that the excess should be regarded as a "mere technicality"?

Consider the situation as local parents of children who swim in the lake. Would they agree that the excess is a "mere technicality"?

A basic ethical principle is "Whatever is right (or wrong) for one person is right (or wrong) for any relevantly similar persons in a relevantly similar situation." This is called the principle of universalizability. Suppose there are several plants in the area whose emissions are, like Wolfog Manufacturing's, slightly in excess of the legal limitations. According to the principle of universalizability, if it is right for Marvin Johnson to submit an inaccurate report, it is right for all the other environmental engineers to do likewise (and for their plant managers to ask them to do so). What if all the plants submitted reports like the one Edgar Owens wants Marvin Johnson to submit?

Now that you have looked at the situation at Wolfog from a number of different perspectives, has your view of what Marvin Johnson should do changed from your first answer?