

CASE ANALYSIS

The following is a guide to assist you in completing the case based exercises for the assignments. You can use this as an outline for your analysis.

ISSUES TO CONSIDER

- What are the relevant facts?
- What are the ethical issues involved?
- Who are the primary stakeholders? Secondary?
- What are the possible alternatives?
- What are the Ethics of the alternatives?
 - Utilitarian Point of view
 - 1) Which provides the greatest benefit for the greatest number?
 - 2) Who would incur any costs or who would benefit from each alternative?
 - Rights point of view
 - 1) What rights are being violated?
 - 2) What obligations are involved?
 - 3) Which alternative provides greatest respect for stakeholders rights?
 - Justice point of view
 - 1) Does action/inaction violate the principles of justice?
 - 2) What alternative is most consistent with principles of justice?
- What are the Practical Constraints?
- What actions should be taken?

Case
#1

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."

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Case #2

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 forger 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.

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

CASE
#3

MINICASE: MGMT - 10

BUSINESS ETHICS PROGRAM

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

Mutiny in the Manufacturing Department

Topic: Labor Relations

Characters: Alan, a lead supervisor in a manufacturing department
Bob, an inexperienced group supervisor, directly under Alan
Coot, a veteran employee within Bob's group

Alan, a lead supervisor in the manufacturing department, has just received word of an altercation between one of his junior supervisors, Bob, a recent college graduate, and Coot, a veteran machine operator.

Bob's group had been working on an order for a major customer. Bob had set up a work schedule and job assignments which Coot, through experience, knew would not get the order out on time. Coot suggested a different sequence which Bob dismissed without discussion. The group began the order using Bob's setup, but Coot switched everyone over the minute Bob left the area. The order was finished, on time, without further incident. Bob later discovered the "mutiny," however, and had a loud confrontation with Coot in front of the entire group.

Alan has reviewed the two work schedules and, indeed, Bob's assignments would not have gotten the order out on time. Since the customer uses a Just-in-Time inventory system, such a slip-up would probably have cost Alan's company any future business with the customer.

On the other hand, Alan knows that a failure to support Bob will cause an immediate loss of credibility throughout the entire department. Bob needs the freedom to make his own mistakes if he is to develop and gain experience, but at what cost to the customer?

Author: G. Scott Erickson, Lehigh University

Case #5

A Good Team Player

Topic: Leadership

Characters: Steven, Assistant Department Manager
Kristin, Newly appointed supervisor of Steven's work section

Having done well as a staff accountant in the accounts payable section of a major industrial firm for several years since his graduation from college, Steven felt that he had learned much about the "ins" and "outs" of survival in an intensely bureaucratic organization. It is thus not surprising that he was relaxed and unconcerned about his circumstances at the company as he entered the employee lounge to attend the late-afternoon welcoming reception for his new supervisor.

The new manager of accounts payable, Kristin, had been transferred to Steven's division from a similar position in another subsidiary of the company because of her proven talent for organizing and improving the efficiency of operations there. A no-nonsense type of manager, Kristin was experienced and determined to perform her new assignment with the same vigor that had brought her so much success throughout her career.

At the reception, Kristin circulated through the room, introducing herself to her new subordinates and asking each of them if they had any suggestions that would help make the payables section a better place to work. When she approached Steven, he told her about something that had been on his mind lately: that people seemed to him to gain promotions and be given opportunities to work overtime based on who liked them, and not on the quality of their work. In reply, Kristin politely stated that she would do everything that she could to see that whatever it was he was referring to would have no place in the team she would lead.

Upon his arrival at work the next day, Steven received a phone call from Kristin's secretary asking that he meet with his new boss later that morning. He had barely entered her office for the meeting when she looked him straight in the eye and said, "I will not tolerate individuals in this organization who are not good team players. Yesterday afternoon you led me to believe that there are people in this office who are not acting in the best interests of the company, and I want to know who. I want you to tell me the names of the managers you were referring to note, and keep me informed if you see anyone hurting this company, or I've got to think that maybe you're part of the problems around here." Stunned by both the tone and content of her statement, Steven quickly tried to think of a way to respond.

Author: Michael G. Bowen, Assistant Professor of Management, University of Notre Dame

Affirmative Action vs. Client Wishes

Case #6

Topic: Advertising and Marketing Management

Characters: Jennifer, junior Account Executive Trainee at the XYZ Advertising Agency
Sharon, Account Executive to whom Jennifer is assigned
Mr. Hurn, Managing partner of the XYZ Advertising Agency
Mr. Bohlen, Director of Advertising at ABC Client Company

After graduating from college, Jennifer tried repeatedly to secure an Account Executive position in an advertising agency. Finally, after two years of working as a receptionist and "go-fer" at the XYZ Advertising Agency, she got a highly sought-after job as a junior Account Executive Trainee at the same agency.

It is now three years since Jennifer started her current job. Sharon (the Account Executive with whom she works) has just made a major sales presentation for the ABC Client Company account. XYZ Advertising is a small agency, and top management (Mr. Hurn) feels this account is essential to XYZ's ability to retain its employees and remain financially solvent. In fact, the agency has lost its two most important accounts in the last year and will have to lay off half of its employees if the ABC account is not secured.

The day after the presentation, Mr. Bohlen, Director of Advertising at ABC, calls Mr. Hurn to inform him that XYZ Advertising Agency has the ABC account if the television advertisement presented in yesterday's sales presentation is changed. Specifically, Mr. Bohlen wants the two African-American actors in the advertisement replaced with two white actors. His reason is that the advertisement is superb, but the African-American actors will offend his target market. Mr. Hurn agrees to this request. He hangs up the telephone, calls Sharon and Jennifer into his office, and informs them of the need to recast/replace the actors.

Sharon refuses. Although tests of the advertisement show that the target market is uncomfortable with the actors' race, she feels it is wrong to change this advertisement. She feels that more African-Americans in general should be in television advertising. After two hours of discussion, with Jennifer in the room, Mr. Hurn informs Sharon that she is fired for insubordination. He then turns to Jennifer and tells her that she can replace Sharon (which is a promotion to Account Executive). "Of course," Mr. Hurn states, "you must recast the commercial as I have asked, or you, along with Sharon, will be released from this company due to insubordination."

Jennifer, who has wanted to be an Account Executive ever since her freshman year in college, is torn. Her decision is complicated by her strong belief in affirmative action, the general scarcity of jobs due to a poor economy, and the fact that Account Executive positions rarely become available. Furthermore, she is already behind in her student loan payments.

Author: Gordon L. Patzer, Professor of Marketing, University of Northern Iowa.

Case #1

Irrevocable Election

Topic: Client Services

Characters: Steve, Second-year staff accountant in small CPA firm
Partner, One of the firm's partners

Steve graduated from college about a year and a half ago and has been progressing rapidly as a staff member of a local CPA firm. Now, in Steve's second year at his firm, one of the partners has just stopped by to visit with him about a tax return Steve had prepared several months earlier. While looking at the client's file, the partner happened to notice that the firm should have attached to the return an irrevocable election that would have affected the timing of recognition of certain income the client had received and would continue to receive over the next several years. The election had to have been filed on a "timely" basis with the original return. Now the client faces a significant additional tax burden for a number of years to come.

"It's not really your fault, Steve," said the partner. "This was a fairly obscure election, and I wouldn't have expected you to have discovered it. I was out of town, and the return simply slipped through our review process without the election attached. Now it's too late, but I hate to see the client have to pay all this additional tax because of our mistake. Of course, she'll never realize what happened unless we tell her, but maybe we can avoid the problem entirely."

"Here's my idea," the partner continued. "I'd like you to prepare the election and attach it to our file copy of the return. Then, we'll prepare next year's return as if the election had been filed on time. If any questions come up, we'll pull out our file copy, show it to the auditor, and suggest that the election must have been lost during processing at IRS. Give it some thought, and I'll get back to you in a couple of days."

As the partner leaves, Steve is already nervously reviewing the conversation. Although thankful for some time to think, he is concerned that this could be a "no-win" situation. He has a sense of loyalty to the firm, and he doesn't want the client or anyone else to suffer for his mistake. On the other hand, he has misgivings about complying with the partner's suggestion.

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Case #8

Psych Me Out

Topic: Leadership (Communication, Power, Motivation)

Characters: Bob, Managing Partner
Jerry, Partner
Leandra, Stacy's Supervisor
Stacy, Junior Accountant
The Psychologist

Stacy is a recently hired employee of a growing local CPA firm. The partners of this firm have high expectations for Stacy, mainly because he scored near the top of his graduating class. However, nothing seems to flow right for Stacy at this firm. He is asked to perform at an advanced level on some jobs because of heavy firm turnover at the senior level. As a result of his inexperience, Stacy does not meet time budgets and much of his work on tax returns has to be redone. These problems have compounded to the point where no one thinks he can do anything right. Near the end of his first year, he told by his Supervisor, Leandra, and the Managing Partner, Bob, that he is on six-month probation without a salary increase. Stacy is determined to prove that although he has the ability, he is simply improperly managed.

During the past few months, the firm has suffered continued resignations of staff accountants. After Stacy mistakenly charges the wrong client account for a tax return, Jerry, the Tax Partner, loudly reprimands him in front of his peers and tells him, "Next time it's coming out of your paycheck." Later that week, as Stacy is helping interview a candidate for one of the open accounting positions, he accidentally chips a glass table in the conference room with his Coke bottle. This time, Bob asks Stacy if his insurance policy will cover the table, and, if not, what he intends to do about it.

Not long afterwards, the accounting staff finds out that a psychologist is coming to the firm for the week to assess the turnover problem, employee morale, and overall firm productivity. All remaining workers, including Stacy, describe the poor treatment of employees and awful work environment. Not surprisingly, the resulting report from the consultant points toward numerous management problems at the company. Shortly thereafter, the partners take the response personally, and rumors surface that they have put the firm up for sale. Still, the interviews for staff positions continue. The partners have asked all those who are interviewing candidates to present the firm in a positive and favorable manner. Stacy doesn't know what to tell potential new hires about the opportunities and working conditions at this firm.

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Family Plans

Topic: Staffing

Characters: Barbara, the controller of Atex, Inc., a small manufacturing company
Sam, the controller of Smith, Inc., a small manufacturing company

Barbara is a controller of Atex, Inc., a small regional manufacturing company. During her four years of employment at Atex, she has worked her way up through the ranks. She has been the controller for the past year and has consistently received favorable evaluations. Barbara enjoys her work and is good at what she does.

Atex, Inc., is close to finalizing a merger with Smith, Inc., a similar manufacturing company. The merger will be finalized in two weeks, on July 1. When the companies merge, various positions will be eliminated to avoid duplication of efforts in the merged company. A variety of positions will be cut, including manufacturing workers, office staff, and management positions. The decisions on personnel cuts will be announced August 1.

Sam, the controller of Smith, Inc., has been with that company for less than a year. He is perceived favorably by management. The newly merged company will need only one controller, and Barbara has received unofficial confirmation that she will be the controller of the new firm and that Sam will be dismissed.

Barbara has had significant responsibility for her parents during the past two years. Her father has terminal cancer, and the specialist has given him only six months to live. Her mother is emotionally distressed and needs special attention from time to time. In addition, after years of trying, Barbara has recently found out that she is pregnant. She plans to take a short maternity leave and then return to work full-time.

Barbara realizes the time demands of her current and expected family and also the time demands of working as the controller of the newly merged company. She feels that she will be able to balance her personal and professional life in such a way that her job performance will not suffer. Yet, she wonders if she should make her boss aware of her responsibility to her parents and her pregnancy.

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Co-author: Mary Loyland, Assistant Professor, University of North Dakota

Case
10

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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