

*1-2H: Case Studies Assignment (20 marks)

This activity will be counted in your final grade

Learning Goals

- Evaluate the impact of major ethical issues on management strategies and decision making.

Assignment Overview

Step 1: Pick ONE case study and post your response. Please refer to the 1-4B: Responding to an Ethical Case Study Page to help formulate your responses. In this step, you will share your own thoughts about a case study. This is done by clicking on the "Add a new post" button, as shown in this example: <https://www.screencast.com/t/JTA1LV3ERI>

Case #1 Case #2 Case #3 Case #4 Case #5 Case #6

Case #1: Sticky Fingers

Characters: Susan, Human Resources Manager in a large retail store, one year of service. Mike, Loss Prevention/Security Manager in the same store, ten years of service. Todd, a salesman in the jewelry department, three years of service

One month has now passed since a diamond-studded watch was noticed missing from the cases in the jewelry department of this retail store. External theft has already been ruled out, and Mike has been studying the videotapes made by closed-circuit TV that day.

Mike comes into Susan's office to report his findings from the investigation of the missing watch. He tells her his department has studied the tapes and cannot determine who stole the watch but that only one employee, Todd, handled the watch that day. Although Mike knows that failing a lie-detector test cannot be used to dismiss Todd, he points out that Todd was the only one to fail the test when asked if he stole the watch. Since Mike cannot close this investigation without a suspect, he proposes that Susan look through Todd's employment file to determine if there are any alternative reasons for firing this employee.

After diligent examination of Todd's file, Susan notices that his application and sworn bonding form do not exactly reflect the same prior information such as previous employment. Under the company's rules, this may be grounds for termination; however, Susan never would have noticed it had it not been for Mike's zeal to pin the theft on Todd. Susan also recognizes that Mike's performance is based on his ability to catch internal thieves. Susan does not think it is fair to let Todd continue working if he did steal the watch; however, she feels that he is also innocent until proven guilty despite the circumstantial evidence.

What would you do if you were Susan? Use the guided questions to respond to the case study, upload your document no more than two pages on Moodle.

Author: Originally developed by Gloria Park, graduate student at Washington University, as a class project in "Ethical Decision Making." Edited and submitted by Dr. Raymond L. Hilgert, Professor of Management and Industrial Relations, Washington University.

You will be assessed on the success criteria that is listed in this rubric:

★ Download Rubric

How to Submit

- This activity is meant to be completed by you in your own words. It is meant to bring out your own thoughts and ideas. Please ensure that you keep citations to a minimum and that you follow the policies and procedures that are outlined in your [Academic Integrity contract](#).
- Please review your assignment **before** submitting, errors in uploading the correct file will result in a mark of 0.
- Submit your completed assignment using the **"Add Submission"** button located at the bottom of this page.

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What would you do if you were Susan? Use the guided questions to respond to the case study, upload your document no more than two pages on Moodle.

Author: Originally developed by Gloria Park, graduate student at Washington University, as a class project in "Ethical Decision Making." Edited and submitted by Dr. Raymond L. Hilgert, Professor of Management and Industrial Relations, Washington University.

Case #2: Oh, Salesmen

Characters: Jim, new manager at a large car dealership. Mary, new salesperson at the dealership

Jim, 27, has recently been promoted to manager of sales personnel at a large car dealership. Mary, a new salesperson (and the only female salesperson), comes to his office late one afternoon with a complaint about something she says really bothers her. Specifically, she says she has never seen Tom, one of the most experienced (and best) salespeople, at any of a series of off-site training seminars (at which attendance is supposedly required). These seminars are designed to help sales staff learn detailed technical information about the mechanical advantages of the cars they sell.

Jim's "grapevine" impression is that most salespeople think the training seminars are a joke, and rumor has it that a lot of salespeople regularly skip them (although many salespeople can be heard saying things like, "I'm out of here--I'm going to today's seminar at the Hyatt"). Jim's boss, however, regularly sends him memos that stress the importance of the training. Upper management spends a lot of money on the training seminars, because they feel that such training will give the dealership a competitive edge.

Mary is so new that she does not yet have an established sales record. Also, Jim has heard through the grapevine that a lot of the salesmen are uncomfortable with Mary and wonder if a female can learn to sell cars. She seems eager, however, and obviously wants to follow the rules. She concludes by telling Jim that she'll check back with him tomorrow to see how he's handling the issue of the absent salesman.

What would you do if you were Jim? Use the guided questions to respond to this case study, upload your document no more than 2 pages on Moodle.

Author: Sue Margaret Norton, Assistant Professor of Business, University of Wisconsin-Parkside

Case #3: Short Shorts

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.

What would you do if you were Don? Use the guided questions to respond to this case study, upload your document no more than two pages on Moodle.

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

Case #4: Little Enough or Too Much

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.

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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 rates. 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.

What should Bryan do? Use the guided questions to respond to this case study, upload your document no more than two pages on Moodle.

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. IJilgert, Professor of Management and Industrial Relations, Washington University.

Case #5: Stubbs

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?”

What should Tom do? Use the guided questions to respond to the case study, upload your document no more than 2 pages on Moodle.

Author: Curtis Jay Bonk, PhD., CPA, Assistant Professor of Educational Psychology, West Virginia University.

Co-author: Mary M. Bonk, CPA, Director of Financial Analysis, West Virginia University Hospitals, Inc.

Case #6: Sexual Harassment

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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.

What should Steve do? Use the guided questions to respond to this case study, upload your document no more than 2 pages on Moodle.

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