

**Team .....**

**Case Study: Employee Absence**

by Stephen Adams

Graphics and Commercial Art

Joan, an employee of Great American Market, was warned about her excessive absenteeism several times, both verbally and in writing. The written warning included notice that "further violations will result in disciplinary actions," including suspension or discharge.

A short time after the written warning was issued, Joan called work to say she was not going to be in because her babysitter had called in sick and she had to stay home and care for her young child. Joan's supervisor, Sylvia, told her that she had already exceeded the allowed number of absences and warned that if she did not report to work, she could be suspended. When Joan did not report for her shift, Sylvia suspended her for fifteen days.

In a subsequent hearing, Joan argued that it was not her fault that the babysitter had canceled, and protested that she had no other choice but to stay home. Sylvia pointed out that Joan had not made a good faith effort to find an alternate babysitter, nor had she tried to swap shifts with a co-worker. Furthermore, Sylvia said that the lack of a babysitter was not a justifiable excuse for being absent.

**Questions:**

Was the suspension fair?

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Did Joan act responsibly?

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Should she be fired?

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Should the babysitter be fired?

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Was Sylvia fair in her actions?

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Is there ever a solution for working mothers?

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Should working fathers take turns staying home?

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Should Great American Market provide daycare?

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Team .....

**Case Study: The Question of Corporate Responsibility**

by Dr. Robert C. Solomon  
University of Texas at Austin

In January of last year, the S.S. Vulgass, an oil tanker of the Big Dirty Oil Company ran around in the area just north of Vancouver, spilling millions of gallons of crude into the waters and onto the beaches of British Columbia and southern Alaska. The damage to the beaches and wildlife and consequently to the tourist industry, the ecology and the quality of life of the local residents is incalculable, but in any case will require many millions of dollars for even the most minimal clean-up.

The ship struck a small atoll, well-marked on the navigational maps, but it was a dark night and the boat was well off course. On further investigation, it was discovered that the Captain of the Vulgass, Mr. Slosh, had been drinking heavily. Leaving the navigation of the ship to his first mate, Mr. Mudd, he retired to his cabin, to "sleep it off." Mr. Mudd had never taken charge of the ship before, and it is now clear that he misread the maps, misjudged the waters, maintained a speed that was inappropriate and the accident occurred. Subsequent inquiries showed that Captain Slosh had been arrested on two drunk driving convictions within months of the accident. The Vulgass itself, a double-hulled tanker, was long due for renovation and, it was suggested, would not have cracked up if the hull had been trebly reinforced, as some current tankers were.

R. U. Rich, the Chief Executive Officer of Big Dirty Oil declared the accident a "tragedy" and offered two million dollars to aid in the clean up. The Premier of British Columbia was outraged. Environmental groups began a consumer campaign against Big Dirty Oil, urging customers to cut up and send in their Big Dirty Oil credit cards in protest. In a meeting to the shareholders just last month, CEO Rich proudly announced the largest quarterly profit in the history of the Big Dirty Oil Company. He dismissed the protests as "the outpourings of Greenies and other fanatics" and assured the shareholders that his obligation was, and would always be, to assure the highest profits possible in the turmoil of today's market.

**Questions:**

The question is, who is responsible?

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Against whom should criminal charges be leveled?

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What should be done, if anything, to punish the corporation itself?

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What about the CEO?

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Team .....

**Case Study: Discrimination in the Workplace**

by Elaine E. Englehardt  
Humanities/Philosophy

Marian, a top graduate from Loyola in Humanities, was hired by a major corporation into a management position. Marian finished the corporation's management training program top in her group, and is performing above the norm in her position. She is really enjoying her work.

As a black woman she feels isolated, as there are no other black women managers and few women in her area. One night at a company party she heard a conversation between two of her male co-workers and their supervisor. They were complaining to him about Marian's lack of qualifications and her unpleasant personality. They cursed affirmative action regulations for making the hiring of Marian necessary.

Marian is very upset and wants to quit.

**Questions:**

Should she?

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Are her co-workers correct in their evaluation?

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Should she confront the co-workers?

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Should she file a discrimination suit?

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Should she go to the supervisor?

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What else could she do?

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Team .....

**Case Study: The Magical \$100,000**

by Dennis Greer

Accounting

On a weekday morning in 1975, there was an anonymous phone call to a cash teller at one of the nation's largest national banks. The anonymous caller stated that an employee had just stolen \$100,000 from an electronics supply subsidiary of the bank. The Financial VP of the bank was notified; he called in one of the internal auditors and assigned him to solve the case. The auditor, working in conjunction with a retired FBI agent, employed a secretary and immediately set up an office at the electronics supply plant. An analysis of the accounting records showed that the theft involved inventory. The first step was to interview many of the 100 employees of the plant including all plant officers. None of the employees knew anything about the inventory.

Second, an analysis of the Accounts Receivable records showed that a major building construction firm only owed \$9.54, though its supply trucks were always picking up large amounts of electronic inventory. He immediately became unavailable for questioning! Several days later the auditor was contacted by an attorney representing the building construction firm for an appointment for his client and himself. When the auditor arrived, the attorney stated, "I want you to know that my client has done absolutely nothing wrong! But here is some information you might like to know." The attorney then explained how the 30-year-old son of the president of the electronics supply plant would sell inventory at one-half price if the construction firm made out the checks to the son personally. They had, in effect, purchased \$200,000 of inventory for only \$100,000.

This information of the theft was immediately supplied to the Financial VP and the bank's attorneys. Within 48 hours, the president of the electronics supply plant retired. His son had fled the state and \$100,000 in cash was returned to the bank.

**Questions:**

Did the employees know of the lost inventory?

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If they did, why didn't they tell more?

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Were the president of the construction firm and his employees honest?

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Had they done anything wrong?

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Could they be sued?

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Why did the father retire?

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What was his responsibility?

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Should the bank's corporate officers go to the police and indict the son on grand theft?

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The bank received back \$100,000 from the theft. Where from?

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Team .....

**Case Study: The Elderly Stockholder**

by Kathleen Higgins and

Robert Solomon

Philosophy

University of Texas at Austin

You are the CEO of a corporation whose board has just decided to cut the dividend to the stockholders. This is a matter of absolute confidentiality, as it could have major effects on your stock prices if the information gets out before implementation of the cut.

At a reception, you are approached by an elderly gentleman, who retired from the company several years ago. Virtually all of his savings and much of his retirement income is in company stock. He asks, point blank, whether he should sell some of his stock, in order to obtain some needed funds for living expenses. You know that he knows a "yes" answer will indicate some dramatic decision, such as a decision to cut the dividend, is impending. If you tell him "no," he could lose considerable value on his stock.

**Questions:**

Do you tell him?

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What do you say?

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If you tell him, could it affect your company?

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Could this affect your own job?

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Team .....

**Case Study: Computer Usage Committee**  
by Doug Carter  
Electronics Technology

Having received a little flak for his assertiveness, Vice President J.R. hired Tim Jones as Computer Center director and had Tim organize a computer usage committee of which Tim was chair. Tim selected three or four "rubber stampers" as members. It was also common practice at CCVU to have student council representatives serve on committees, so the student council assigned C.G. Farnsworth, a student, to serve on the committee. C.G. had a co-op job with Big Byte Computer Company and knew quite a lot about computers and their applications.

With a committee in place, J.R. was ready to bring in about 50 more computers. Tim recommended Tiddley computers over C.G.'s lone, dissenting voice, and purchased them directly from the Tiddley home office in Fort Worth (where Jim, J.R.'s son, worked) without going through the local Cripple Creek franchise, and without putting them out for bid. C.G.'s complaint was that Tiddley's computers were much too expensive when IBM clones were equal or better. Big Byte could have filled the order for half the price.

**Questions:**

Was J.R. putting some space between himself and computer usage decisions? Is anything wrong with that?

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Did J.R. intend to maintain control while manipulating a dysfunctional committee?

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Would the CCVU faculty see this as ethical?

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Do Tim's actions seem ethical? Should he take any action?

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Does Tim seem to be protecting J.R.'s family interests?

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Is this an ethical approach?

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Should the purchasing agent have said anything?

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Team .....

**Case Study: Cement For Sale**

by Robert Solomon and  
Kathleen Higgins  
Philosophy  
University of Texas at Austin

You own a cement company, and deal with most the local contractors for cement, sand, etc. You have a reputation of high quality products, and for good customer service with your customers. Your foreman has just run the standard quality control tests you have performed regularly on your products.

When the test results are ready, you discover that the new batch of product is 9% less durable than your usual material. It is still well above all industry standards and meets all building codes and requirements for the purposes for which it is intended, but it is, nevertheless, not up to your usual standards. Throwing it away would cost your company many thousands of dollars.

You decide to sell the cement anyway.

**Questions:**

Should you tell your customers?

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Should you discount the price?

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Should you tell your employees, so they will be knowledgeable with the customers?

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Would you use this cement on foundations for your own house?

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Team .....

**Case Study: Working Environment**

by Stephen Adams

Graphics and Commercial Art

John, an employee of XYZ Publishing, called his supervisor over to the area where he was working and told him that he refused to do the job any more because the air conditioning in the room created a draft which was making him sick. Sam, the supervisor, did not feel any strong drafts, but wanted to be fair.

He summoned the buildings' safety director, who determined that the air duct was 25 feet away from the work station, and at a 45 degree angle from John. He further explained that the technology used by the air conditioning system diffused the air as it comes out of the duct and does not create a draft.

The supervisor decided that John's safety complaint was unjustified and ordered him to return to work. John again refused, stressing that since Sam was not a doctor, he was not capable of deciding whether or not there was a problem. XYZ Publishing subsequently discharged John for refusing a direct order from his supervisor to do a job that was covered under his regular duties.

John protested that requests to be removed from a job were often made, and that he was never informed that refusing to do the job would result in his discharge.

**Questions:**

Was John fired for just cause? (i.e., because he was sick, or because he refused a direct order?)

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Did Sam act ethically toward John?

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What if John asked to be reassigned instead of refusing to work?

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What else could the company have done about the problem?

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