

11.7 Conclusion

Ethics in the workplace is a fundamental requirement for all members of a corporation—individual employees, managers of working groups, and executives. Everyone must diligently observe universal moral standards, respect basic human values, act legally, conform to local cultural traditions and practices, and disclose the courses of action taken.

Most situations in the workplace involving ethics originate from a conflict between responsibilities and values. These situations must be carefully analyzed by the decision-makers involved to arrive at a proper course of action. A number of models are included in this chapter to assist engineers, managers, and executives in carrying out such analyses.

Creating codes of ethics is helpful. Employees become more sensitive if they are exposed to more real-world cases with ethical implications. Knowing what is right and what is wrong is usually not sufficient in preventing unethical outcomes. Of critical importance to the success of a corporate ethics program is the disciplined enforcement of the code of ethics supported by top management. Good behavior should be recognized and rewarded promptly. Unacceptable behavior must be punished fully and in a timely manner.

The key to ethical behavior is honesty, fairness, and full disclosure. When selecting employees, engineering managers need to focus on their characters, as skills can more readily be updated. Managers themselves need to be technically outstanding, managerially competent, and ethically sensitive.

QUESTIONS

1. Smith, an unemployed engineer who recently received certification as an engineer-intern from the State Board of Registration for Engineers and Land Surveyors, was seeking employment with a consulting firm. Engineer A, a principal with a large consulting firm, contacted Smith. After a long discussion concerning such matters as working conditions, salary, benefits, etc., Engineer A offered, and Smith accepted, a position with the firm. Thereafter, Smith canceled several other job interviews.

Two days later, in a meeting with other principals of the firm, it was agreed by the firm's management (including Engineer A) that the vacancy should be filled by an engineering technician, not a graduate engineer. A week and a half later, Engineer A contacted Smith and rescinded the firm's offer.

Did the actions of Engineer A in his relations with Smith constitute unethical conduct? Why, or why not?

(Source: Adopted from the files of the NSPE Board of Ethics Review).

2. As the business manager of your company, you are visiting several companies in Africa to promote new businesses. At the tail end of several successful rounds of negotiation, you are invited to attend a family banquet hosted by one of your potential business partners. This invitation represents a genuine sign of friendship and a commitment to good-faith business dealings in the future.

Would you be offended if the host wanted you to pay for the food and drinks you enjoyed at the banquet when you depart? Explain your answer.

3. Cindy Jones, a chemical engineer with considerable experience in offset printing processes, was hired recently as an engineering supervisor by Company A. Before

that, she had been working as a research chemist for a competing firm, Company B, where she had invented a new formula and manufacturing process for press blankets. Jones's technique makes the blanket less prone to failure and produces better print quality. These press blankets are being marketed by Company B with great success.

When Jones was hired, there was no discussion about the new offset blanket during the interview. Jones was interested in moving into management; Company A had no openings available, whereas Company B was seeking to add managerial personnel with a superior technical background.

One day, soon after she had started her new job, Jones received an unexpected invitation to a staff meeting from the director of engineering. The meeting agenda focused on the formulas and manufacturing processes for offset blankets.

What should Cindy Jones do?

4. Sara King is a member of the International Union of Operating Engineers. Through the union, she has secured a new job to operate a truck with an end loader at the XYZ Construction Company.

About two hours into her new job, the truck began to boil because of a leaky radiator. She stopped the truck and went to look for water.

About 100 feet ahead, Sara spotted a 5 gallon pail. On the way to get the pail, she happened to pass Joe Dow, an old union man, who was tending an air compressor. Joe Dow shouted, "Where are you going?" When Sara told him, Joe Dow replied, "I've got news for you. You are not going to get that pail. Understand? If you want to work on this job, you'd better start acting like a union worker, or I'll report you to the master mechanic. You'd better get back on the truck and wait for the foreman to get a couple of laborers to help you. Remember, if you stop your truck because of a boiling radiator and there's no pail within 40 feet of where you happen to stop, it's not your job to get a container."

Sara did not want any trouble. So she went back to the truck and waited for the foreman. It was two hours before the foreman came. In the meantime, seven other dump trucks and their drivers were idle. When the foreman finally did come, Sara explained the situation to him. The foreman said, "I'll get you a couple of laborers to draw some water." Sara explained further that she could easily have gotten the water herself earlier, but the operator at the air compressor had told her to lay off. The foreman answered, "That's the way things are on this job. I don't want any trouble, so I do what the union people want."

Sara encountered other similar incidents as she continued on the job. The basic idea was always the same. Various craft unions decided on a lot of unreasonable restrictions that made a full day's work unproductive. The XYZ Construction Company had entered a cost-plus contract with the client, a steel company. So the more the employees loafed on the job and raised the cost, the more money XYZ Construction Company made. The steel company client was the one bearing the costs. In the long run, the consuming public ended up paying for this labor waste, which contributed to the increasing cost of steel.

Are there any ethics involved in this problem?

5. Quick Meal is an international fast-food chain that operates in many countries. Company management wants to apply a uniform standard of business ethics, modeled after U.S. practices, to all of its stores worldwide.

When Quick Meal opened a new store in Country X, initially the local government cooperated fully. Then the government changed hands, and a corrupt group took over. Shortly thereafter, Quick Meal noticed that the general manager of the new store in Country X was providing free food and other concessions to governmental officials "under the table." The general manager was an American married to a local national. He was trying to get an "in" with the new government.

Store profits were still high, but Quick Meal decided to fire the general manager. The officials of the new government intervened and told Quick Meal to keep him or they would confiscate the local store. Quick Meal stuck to its decision and let the general manager go. The new government followed through with its threats and took away the local store.

A few years later, the government of Country X changed hands again. Although Quick Meal was promised some indemnity, there was still a considerable financial loss to the company. Despite the fact that these losses were written off, some of the Quick Meal stockholders were unhappy with the company's decision regarding the general manager.

What should Quick Meal have done?

6. Jane is a member of the board of directors of Power Company Z, which is considering the construction of a new power plant.

Coal-fired power plants emit sulfur dioxide into the atmosphere. Ambient air containing a high concentration of sulfur dioxide is known to create acid rain, which damages crops and erodes some metals (e.g., nickel and copper). If number 2 oil is used as fuel instead, the sulfur dioxide emission of the power plant could be significantly reduced. However, replacing coal with oil will raise the fuel cost by about 20%.

Some directors believe that any increased costs would have to be reflected in higher prices. An increase in electricity price would create problems for the company. For example, the Public Utilities Commission may delay approving the proposed rate increase. Consumers may react negatively to the price increase, which could hurt the company's public image.

Other directors are convinced that the company should not use methods that would increase expenses. They point out that diverse industries and motor vehicles are far more guilty of causing air pollution than the power industry. As one director put it, "Why should we be leaders in this area when it is going to cost either stockholders or consumers a great deal of money?"

Jane knows that fuel represents only one-seventh of the total cost of generating and distributing electricity. She feels that the company has an obligation to protect public health as long as it can stay reasonably profitable. She believes, further, that the company should not allow purely business considerations to dominate its decisions in an area of such critical importance.

What do you think Jane should do?

7. Company A recently bought a rock-crushing unit from Company B. This unit was expected to produce 750 tons of crushed rocks per hour, but has in practice been producing only 500 tons per hour.

Paul, president of Company A, complains to Gordon, sales manager of Company B, about the fact that he is now unable to fill contracts that he secured based on the expected capacity of the machine. In some instances, he has been required to buy crushed rock—at retail prices—to satisfy his contract obligations. Furthermore, he is not able to repay the loan with the expected higher income from the increased production. Paul threatens to sue Company B unless they return half of the purchase price of the equipment.

Frank, the foreman of Company A's new rock-crushing installation, and Elmer, the company's chief engineer, are not happy with the new equipment. However, they are not sure that company B is at fault. The contract for the new equipment specified that the unit should be able to crush 750 tons of properly graded limestone per hour. Company B had samples supplied by Company A and based its promise of performance on these tests. Paul had been using stone taken from several different company quarries. Both Frank and Elmer had objected to this, since much of this stone was harder than that in the sample given to Company B. The equipment had not broken down, but it was not able to deliver the specified capacity.

Frank and Elmer discussed this matter and decided to present the problem to Paul. If Company B fought Paul's suit, Frank and Elmer would certainly be called on to testify. Moreover, they both felt that Company B had a right to know that Company A had been using a harder rock than that used in the tests.

Paul listened to Frank and Elmer, but was not convinced that he ought to inform Company B of the difference in rock hardness. Paul thought that the performance guarantee covered the crushing of rock for any and all of the company's quarries.

What course of action do you suggest for Company A?

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