

CASE 8.4

The Housing Allowance

Wilson Mutambara grew up in the slums outside Stanley, capital of the sub-Saharan African country of Rambia.⁵² Through talent, hard work, and luck he made it through secondary school and won a scholarship to study in the United States. He eventually received an MBA and went to work for NewCom, a cellular telephone service. After three years in the company's Atlanta office, Wilson was given an opportunity to return to Rambia, where NewCom was setting up a local cellular service. Eager to be home, Wilson Mutambara couldn't say yes fast enough.

NewCom provides its employees in Rambia with a monthly allowance of up to \$2,000 for rent, utilities, and servants. By Western standards, most of the housing in Stanley is poor quality, and many of its neighborhoods are unsafe. By providing the allowance, NewCom's intention is to see that its employees live in areas that are safe and convenient and that they live in a style that is appropriate to the company's image.

To claim their housing allowance, NewCom's employees in Rambia are supposed to turn in receipts, and every month Wilson Mutambara turned in an itemized statement for \$2,000 from his landlord. Nobody at NewCom thought it was unusual that Wilson never entertained his coworkers at home. After all, he worked long hours and traveled frequently on business. However, after Wilson had been in Rambia for about fifteen months, one of his coworkers, Dale Garman, was chatting with a Rambian customer, who referred in passing to Wilson as a person living in Old Town. Garman knew Old Town was one of the slums outside Stanley, but he kept his surprise to himself and decided not to mention this information to anyone else until he could independently confirm it. This wasn't difficult for him to do. Wilson was indeed living in Old Town in the home of some relatives. The house itself couldn't have rented for more than \$300, even if Wilson had the whole place to himself, which he clearly didn't.

Dale reported what he had learned to Wilson's supervisor, Barbara Weston.

When Weston confronted him about the matter, Wilson admitted that the place did rent for a "little less" than \$2,000, but he vigorously defended his action this way: "Every other NewCom employee in Rambia receives \$2,000 a month. If I live economically, why should I be penalized? I should receive the same as everyone else." In response, Weston pointed out that NewCom wanted to guarantee that its employees had safe, high-quality housing that was in keeping with the image that the company wanted to project. Wilson's housing arrangements were "unseemly," she said, and not in keeping with his professional standing. Moreover, they reflected poorly on the company. To this, Wilson Mutambara retorted: "I'm not just a NewCom employee; I'm also a Rambian. It's not unsafe for me to live in this neighborhood, and it's insulting to be told that the area I grew up in is 'unseemly' or inappropriate for a company employee."

Barbara Weston pointed out that the monthly receipts he submitted had been falsified. "Yes," he admitted, "but that's common practice in Rambia. Nobody thinks twice about it." However, she pressed the point, arguing that he had a duty to NewCom, which he had violated. As the discussion continued, Mutambara became less confident and more and more distraught. Finally, on the verge of tears, he pleaded, "Barbara, you just don't understand what's expected of me as a Rambian or the pressure I'm under. I save every penny I have to pay school fees for eight nieces and nephews. I owe it to my family to try to give those children the same chance I had. My relatives would never understand my living in a big house instead of helping them. I'm just doing what I have to do."

Discussion Questions

1. Did Wilson Mutambara act wrongly? Explain why or why not. Assess each of the arguments