



Anti-Service and the Prison–Industrial Complex

Case

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Abstract

Mass incarceration and its impact on communities and families has received considerable attention in the news media. Over time, the United States has become a world leader in the percentage of the population serving time in prisons, with a disproportionate number coming from African American neighborhoods. Lying underneath the situation is a prison–industrial complex of public and private organizations that serve this vast marketplace in diverse ways. However, for reasons that have roots in historical race relations in the United States, women and men serving prison sentences have become key components in a system that drives profitability for private companies but often fails to consider inmates' intricate set of needs or their rehabilitation. This case chronicles the introduction of a new district sales manager to the prison market space, as she learns about and confronts the role of her firm in this conundrum.

Case

Learning Outcomes

By the end of this case study, students should be able to:

1. Have an appreciation for the complexity associated with understanding and serving the needs of various stakeholders of relevance to a complex set of firms and individuals.
2. Recognize both positive and negative consequences of business practice, with some of each potentially unintended but, nonetheless, of importance.
3. Assess an ethical dilemma that includes personal and professional concerns about an employee's role in perpetuating a system that delivers value to some while disregarding the needs of others. An important facet of this learning outcome is to recognize that each player in a complex system should understand their role in the perpetuation of its consequences across stakeholders.

Joining the Firm

Lauren Miller worked for a large packaged-goods producer that sold its products widely through independent retail stores around the United States and beyond. She had a clientele within a three-state region and was able to increase total sales by 25% over the course of a five-year period. A recruiter for a different firm contacted her last week, asking if she might be interested in moving up to the district sales manager level within a new company. Her pay plus commission would likely improve her annual salary by more than one-third and set the stage for further advancement.

Lauren met with the recruiter and the senior leadership team of Prison Suppliers, Inc., a national distributor of snack foods, health and beauty supplies, small appliances, and virtually anything else incarcerated women and men might need. She had little experience with this industry, and the idea of serving this population gave her pause. The position, as currently defined, would require her and her team to serve a number of state-run and federal prisons within her defined territory that housed women and men for sentences of five years to life. Their job would be to stock the prisons' commissaries with a variety of items sanctioned by oversight boards of the particular institutions. Prison workers hired by the local administration would handle the day-to-day operations of these "stores."

Despite her trepidation, the interview went well and Lauren was sold on the idea of joining them. They offered her the job on a Friday, and she decided to begin work two weeks later. The vice president of sales planned to meet her at one of the largest maximum-security prisons in one state and get her oriented to the selling process. Her territory would be five states in total and include a dozen such complexes. Five employees, one for each state, would handle regular processing and delivery of their goods; she would oversee their efforts and work with prison management to maintain good buyer–seller relationships.

Inside a Prison

On her first day, she drove several miles outside a major city and into a rural community that included the maximum-security prison with over 4,000 men. Lauren met her boss at the entrance, and he escorted her into the busy annex attached to the five blocks that housed the inmates. She was unsure what to expect but was surprised when they had to pass through several locked check points before arriving at the commissary. This operation was in the center of a long corridor that connected each block, and men dressed in the same brown jumpsuits waited in line to enter. Her boss commented that there were always long lines since this was the only place that prisoners could purchase items from the outside.

They stood out of the way of the men shopping there, who entered five at a time to select from among available items. Lauren noticed that something did not seem quite right; the faces of the inmates uniformly looked unhappy even though such purchases were entirely voluntary and represented the only licit marketplace. They moved from item to item, picking up one thing and replacing it with another, and it appeared that they were counting the total prices in their heads as they moved along and up to the checkout counter. Her boss informed her that the men were able to buy up to a set number of items that was dependent on the amount of money they had set aside in accounts from work inside the prison and donations from friends and family outside the prison. Their jobs paid between 20 and 40 cents per hour for a maximum of 30 hours per week. Over time, outside support tended to decrease as people lost interest, passed away, or faced their own financial hardships, leaving inmates with less money for commissary purchases.

After spending some time with the prison staff and inmates assigned to order, process, and sell their items, she and her boss decided to leave and debrief over coffee. Lauren had a number of questions that seemed germane to doing her job. For example, the men seemed dissatisfied with the available selection; could she survey them to find out their preferences and change the offerings to meet their needs? Also, the facility was drab and without signage. Is it possible to spruce things up? Lauren also wanted to know if this facility was a good representation of her new clients or if there was considerable variation. This issue seemed particularly germane since the prisons in her district were made up of public, private, and public–private partnerships among government and for-profit organizations.

Her boss chuckled in a patronizing way and told her in no uncertain terms that such niceties were not possible in this marketplace. First, these men were criminals and must suffer because of their past transgressions. Restrictions on their abilities to meet ordinary consumer needs were part of their punishments. While he admitted that he did not know the level of guilt or other circumstances of any inmate, his interactions with prison personnel made it clear that meeting the needs or desires of incarcerated women and men was unimportant. Second, the real customer here was the prison system, which was controlled by politicians externally and guards and wardens internally. These overseers were decision-makers who determine the mix of items, their prices, and the quantities sold, and the firm's continued success as a supplier of these goods depended upon keeping them satisfied by meeting their needs. As a result, the inmates had little say in what was bought and sold, and kickbacks as a percentage of gross revenues were expected to support employee funds, rather than any aid to inmates who actually purchased these items. In fact, actions deemed as services to prisoners beyond mere supply were frowned upon by the administration as well as politicians.

This buying and selling environment seemed to go against the widely-held belief that consumers, and people

in general, should have basic decision-making rights over what they consume. Yet the goods at the commissary were highly restricted, designed to aid in punishment rather than as an opportunity to salvage some piece of the outer world, and priced well above normal retail outlets. It dawned on Lauren that the prisons supported a system that was more like indentured servitude than free-market labor, where low wages and high prices kept inmates from ever saving for possible release.

Moral Quandary

On her way home, Lauren began to ponder the situation. In this case, the “user” of an item was not the “consumer.” Instead, a third party with little interest in the user’s well-being made all the decisions. Truth be told, this third party of politicians and prison employees seemed interested in *reducing* the user’s quality of life. A term she had read about called “anti-service” came to mind, where providers of certain products sought to sabotage the consumer experience and decrease quality of life. These situations typically arose where angry employees wanted to harm their firms out of spite, not where workers were responding to a company culture of disdain. Thus, Lauren faced a rather unique context where the final users were kept from more adequately meeting their needs by an intermediary that pre-empted their autonomy in the marketplace. In that sense, the intermediary (the prison) was the customer and the final user (the inmate) was inconsequential. The only other examples she could think of were very young children or very old adults who did not have or had lost their autonomy.

When she arrived home, Lauren fired up her laptop and looked at the facts. Over the last ten years, items sold were marked up by her firm about 20% over their wholesale prices in more competitive retail environments, and the prison added another 15% for good measure, resulting in final prices to inmates well above outside offerings. Additionally, the options were highly limited, with, for instance, only one or two items in each category. There was also a memo from the state that originated with inmates asking for more variety and new products over time. The senior prison administration denied these requests without discussion. Lauren slowly realized that prison gatekeepers actually marked up products that inmates explicitly stated they did not want.

Lauren also found that thousands of dollars for the company’s government lobbying efforts had gone to support various state-wide politicians who promoted “tough on crime” platforms that helped keep the prisons at or above capacity. Over the last five years or so, about 2% of gross sales had gone to the coffers of the state prison employees in support of their continuous improvement and eventual retirement. A number of inmate clubs and organizations, from events with family to formal education while incarcerated, had asked for donations but all such requests had been denied. The concern is that most if not all gatekeepers resented anything that looked like sympathy for women and men who had been convicted of serious crimes. Lauren shook her head as she once again pondered that the “real” customers in this situation were politicians and prison employees, who believed that incarcerated women and men had no right to fair dealings as a result of criminal behaviors.

She was unsure what to do with this information and how it might impact her work at these prisons. Lauren was not raised in any particular religion, but her parents instilled in her a respect for all people regardless of their faults or past actions. As a marketer, Lauren had always tried to understand her customers and sought ways to meet their needs. With this system of selling to gatekeepers instead of consumers, Lauren wondered if she would be making errors of commission and omission by supporting a system that treated inmates as end users whose needs did not matter. Could she support a market that willfully ignored the needs of its customers? Lauren shook her head and wondered if she had actually made the wrong choice in taking this job. It seemed that her company supported a marketplace that put profits ahead of consumer needs. How could she work for a company that disregarded the preferences and needs of its end-users and supported such an unfair system?

Discussion Questions

1. Who are the various stakeholders in this situation and what roles do they play in the consumer lives of incarcerated women and men?
2. What are both the intended and unintended consequences for inmates of the actions by Lauren's firm over time?
3. How would you best describe the moral quandary of Lauren, and what are her options for the future? Does she have an obligation to serve the buyers of her firm's goods?
4. Ethical dilemmas can include errors of commission (what a person does) and errors of omission (what one fails to do). Are both legitimate concerns in this situation?

Further Reading

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