

- Managers model the behaviors they demand of others.
- Managers communicate the importance of integrity when making difficult decisions.

### Questions

- 12-17. Based on what you read in this chapter, summarize in one page or less how you would explain Enron's ethical meltdown.
- 12-18. It is said that when one securities analyst tried to confront Enron's CEO about the firm's unusual accounting statements, the CEO publicly used

vulgar language to describe the analyst, and that Enron employees subsequently thought doing so was humorous. If true, what does that say about Enron's ethical culture?

- 12-19. This case and this chapter both had something to say about how organizational culture influences ethical behavior. What role do you think culture played at Enron? Give five specific examples of things Enron's CEO could have done to create a healthy ethical culture.

## HR IN ACTION CASE INCIDENT 2

### Carter Cleaning Company

#### Guaranteeing Fair Treatment

Being in the laundry and cleaning business, the Carters have always felt strongly about not allowing employees to smoke, eat, or drink in their stores. Jennifer was therefore surprised to walk into a store and find two employees eating lunch at the front counter. There was a large pizza in its box, and the two of them were sipping colas and eating slices of pizza and submarine sandwiches off paper plates. Not only did it look messy, but there were also grease and soda spills on the counter and the store smelled from onions and pepperoni, even with the four-foot-wide exhaust fan pulling air out through the roof. In addition to being a turnoff to customers, the mess on the counter increased the possibility that a customer's order might actually become soiled in the store.

While this was a serious matter, neither Jennifer nor her father felt that what the counter people were doing was

grounds for immediate dismissal, partly because the store manager had apparently condoned their actions. The problem was, they didn't know what to do. It seemed to them that the matter called for more than just a warning but less than dismissal.

#### Questions

- 12-20. What would you do if you were Jennifer, and why?
- 12-21. Should a disciplinary system be established at Carter Cleaning?
- 12-22. If so, what should it cover, and how would you suggest it deal with a situation such as the one with the errant counter people?
- 12-23. How would you deal with the store manager?

## EXPERIENTIAL EXERCISE

### The Discipline Dilemma

**Purpose:** The purpose of this exercise is to provide you with some experience in analyzing and handling employee relations and disciplinary situations.

**Required Understanding:** Students should be thoroughly familiar with the information provided in the following paragraph, and with our discussions in this chapter.

You are a mid-level manager working for the U.S. federal government. One of your subordinates has a long record of being difficult to deal with. In the most recent incident, after being warned on several occasions not to come in late, he again showed up 15 minutes late. You want to discipline this person. However, after reviewing the information on adverse actions and on

related matters at [www.opm.gov/er/](http://www.opm.gov/er/) it's not clear to you whether you can discipline this person.

**How to Set Up the Exercise/Instructions:** Divide the class into groups of four or five students. Each group should answer the following questions:

- 12-24. Based on what the site says about adverse actions and performance-based actions, are you in a strong position to discipline or dismiss this employee or not?
- 12-25. What appeals processes are open to this person?
- 12-26. What employee relations-building techniques we discussed in this chapter does the OPM use, according to its website?