Case 1 - Ethical Thinking Exercise

1. Please read the following silently to yourself.

*“Stumbling on the ‘Corporate Ladder’?’*”

Ed is the Human Resources Manager at Ace Inc., a (fictitious) publicly held corporation based in Northridge, California which has approximately 50 employees. Ed has worked in this position for five years, and enjoys working at Ace. Ed has applied for the newly created position of Chief Ethics Officer (CETO), which will oversee implementation and enforcement of the newly-created Ace Code of Conduct. This code includes a statement of Ace’s core values including honesty, loyalty, and fairness. This position would double Ed’s salary. Ed’s father has recently lost his job, and with the extra salary, he would be able to help his parents pay their bills. The CETO Search Committee has invited him to interview on April 15 and has stated that it plans to announce its selection in early June.

Bob is the Chief Financial Officer (CFO) which is the position currently at the top of Ed’s “supervisory chain.” Bob is also one of three Ace officers on the CETO Search Committee. Jane, one of the few African-American women employed by Ace, Inc., is the Assistant Human Resources Manager who has worked for Ace under Ed’s direct supervision for two years. Jane is a good worker who has received positive performance evaluations from Ed.

Bob does not like Jane: in a January meeting of Bob’s “team,” Jane criticized the manner in which year-end bonuses were calculated and granted to Ace employees. Ed was present at the meeting and was pleased with the articulate, professional manner in which Jane voiced her concerns. Yesterday, Bob told Ed that Jane’s criticism showed that she is not a “team player” and asked Ed to try to make Jane quit: he suggests ordering her not to use Ace’s Internet for personal use per an Ace policy which Ed knows has yet to be enforced at Ace and “generally making her feel unwelcome.” Bob tells Ed he will be “disappointed” if Jane is still on May 30.

Ed remembers from a professional association’s seminar on avoiding “wrongful termination” that employers may be held liable for “constructive discharge” in which work conditions are made so intolerable that a reasonable person would quit, and does so. Ed also knows that individual employment discrimination may be shown by “circumstantial evidence” such as the disparate and adverse application of employment policies to a member of one race, gender, etc. but not to (e.g.) members of other races or the opposite sex. *What should Ed do?*

2. Ed has written down six possible solutions to his dilemma. They appear on the opposite page. In discussion with your teammates, evaluate the “possible solution” which corresponds with your team number. Choose a reporter who may be asked to share your findings with the class.

Possible Solutions for Ed:

* 1. Follow Bob’s instructions/suggestions
	2. Explain to Bob the potential liability faced by Ace
	3. Tell Jane about Bob’s suggestion
	4. Go to other Search Committee members to notify them of Bob’s request
	5. Go to other supervisors between Ed and Bob (if any) and request intervention
	6. Go to Bob’s supervisor (CEO?) and explain dilemma