

Use of Corporate Resources Issue

You work for Red Company. You and a colleague, Pat Brown, are asked by your manager to attend a week-long conference in Los Angeles. At least 25 employees from Red Co. are attending, as well as many customers and competitors from other institutions. At the conference, you attend every session and see many of the Red Co. people, but you never run into Pat. Although you've left several phone messages for her, her schedule doesn't appear to allow room for a meeting. However, when you get back to the office, the department secretary, who is coordinating expense reports, mentions to you that your dinner in L.A. must have been quite the affair. When you ask, "What dinner?" She describes a dinner with 20 customers and Red Co. employees that Pat paid for at a posh L.A. restaurant. When you explain that you didn't attend, she shows you the expense report with your name listed as one of the attendees.

Application of Trevino & Nelson's 8 Steps to Ethical Decision Making

Step One: Gather the Facts

The department secretary has given some facts about this situation. It is evident that the coworker, Pat, was untruthful about the expensed dinner. Pat listed a coworker down as attending an expensive dinner party, but the coworker was never present. Furthermore, the coworker never saw or heard from Pat while attending the conference. Getting further facts or details from Pat may not be likely since Pat never returned multiple phone calls during the conference for the two of them to meet. This means it may be impossible to truly get the facts if a dinner with customers occurred or if Pat provided false attendance records for both her coworker and the other twenty customers.

Step Two: Define the Ethical Issues

Some ethical issues noticeably present are that Pat exhibits impropriety, dishonesty, and improper use of corporate funds. It is known that Pat at the least provided false documentation of her coworker being present at the dinner. During this step, it would help to analyze the extent of possible ethical dilemmas with trusted colleagues or confidants. If this is a nonprofit organization that donations are a primary source of funding, it could raise another issue of donor funds not being used for their original intentions. Pat also puts her coworker in a difficult spot by forging documentation that the coworker was present at a corporate funding dinner when they were not.

Step Three: Identify the Affected Parties:

Pat and her coworker are obviously affected parties in this situation. The secretary filing expense reports may also be affected if she provides false documentation of using corporate funds. Further examination may show that Pat's supervisors and corporate upper management

may be affected by the company's funds being misused. The company itself may also be affected if the community and customers learn of donations and funds being carelessly used. The company may receive a negative reputation among the community and suffer from decreased donations in the future. The company's customers may be affected if funding allocated for more effective services are instead used for fancy dinners.

Step Four: Identify the Consequences

This step involves consideration of short-term, long-term, symbolic, and secrecy consequences. Short-term consequences may involve Pat losing her job. The coworker may also be in jeopardy of losing their job if the company learns false information about the dinner receipts. Long-term consequences may occur for the company's funding sources if Pat or other employees are inappropriately using corporate funds. Additional long-term consequences for the company involve earning a negative reputation and distrust from the public community. Symbolic consequences may include the community or other employees feeling the company does not use their funding appropriately or morally since corporate funding likely could go to better use than an extravagant dinner. The consequences of keeping the incident secret would allow untruthful use of funding or other types of acts to continue to occur within the company, which could further the burden of long-term consequences for the company and clientele.

Step Five: Identify the Obligations

Pat's coworker has an obligation to be truthful with the secretary and let her know that they were not present at the expensed dinner. This would allow Pat to give more details about the expensed dinner and why Pat would list a false attendee. Pat would also have an obligation to tell the truth about whatever may have happened at the dinner or conference in general since Pat seemed to miss some key classes for the conference. All company employees are obligated to be honest and have the best intentions for the company, clientele, and funding sources.

Step Six: Consider your Character and Integrity

The worker must uphold the company's values through honest character and integrity. An excellent way to assess this step is how the worker would feel if the situation were publicly broadcasted for the community to know. In this case, the worker would not want the public to know that a false expense report for a company dinner utilized a large amount of corporate funding. This news could severely damage the worker and company reputation. Each employee and company action should be held accountable for honesty and value.

Step Seven: Think Creatively about Potential Actions

Three obvious actions in this scenario would be to honestly share with the secretary that the worker listed was never present at the dinner, try to talk with Pat to get more details about the supposed dinner before talking more with the secretary, or try to cover for Pat and falsely say the worker was present. These actions could either help Pat not get in trouble or lose her job or

allow the worker to exhibit honesty and character. The worker may feel inclined to help cover Pat's mistake, but the worker should be completely honest with the secretary about not being in attendance.

Step Eight: Check your Gut

Trusting the gut reaction can be crucial. The worker may feel conflicted that Pat would suffer heavy consequences. Still, their gut may also be hardwired to act professionally and honestly, which would benefit the worker and the company's operations in the short and long term.