

Ethical Dilemma Case

You have just cemented a deal between a \$100 million pension fund and Green Company, a large regional money manager. You and your staff put in long hours and a lot of effort to close the deal and are feeling very good about it. You and three of your direct reports are having lunch in a fancy restaurant to celebrate a promotion, when the waiter brings you a phone. A senior account executive from Green is on the phone and wants to buy you lunch in gratitude for all your efforts. "Ill leave my credit card number with the restaurant owner," he says. "You and your team have a great time on me."

Application of Trevino & Nelson's 8 Steps

- 1. Gather the facts.** Subtle bribes are present when a customer or client provides gifts or entertainment. In this case, the senior account executive is offering a subtle bribe by offering to pay for the celebratory lunch and leaving his credit card information with the restaurant. Many companies have policies that reflect subtle bribes being anything over \$25-\$100. In this case, we can assume that lunch for four people at a fancy restaurant will cost well over the listed amount. It is important to note that if the gesture cannot be reciprocated, it is likely inappropriate to accept.
- 2. Define the ethical issue.** Accepting a subtle bribe results in many conflicts. Situations as the one presented can lead to issues surrounding trust, fairness, and integrity.
- 3. Identify affected parties.** If accepted, affected parties include the company, its board, and employees. Green Company is also impacted by this scenario. All parties involved will have a reputation for offering/accepting bribes. This will cause a lack of trust and loss of relationships with other companies.
- 4. Identify the consequences.** If accepted, the company and its employees will have a reputation for accepting bribes which will have a great impact on the future of the company. This can potentially impact existing and prospective clients and will ultimately impact finances. On the other hand, this may impact the frequency of bribe offers and unethical behavior within the organization. Depending on the magnitude of the accepted bribe, this can lead to unlawful behavior.
- 5. Identify the obligations.** Organizations have the obligation to have policies and procedures in place to address bribery. When unethical and unlawful behavior take place within the organization, there is also an obligation to manage the issue. As an employee of this position, I would also be obligated to report the Green Company's behavior of bribery to my superiors.
- 6. Consider your character and integrity.** As an employee with direct reports, I must model ethical behavior by considering my character and integrity. In this position, I am trusted with upholding the reputation of the company and providing fair opportunity to existing and potential stakeholders.
- 7. Think creatively about potential actions.** There are two apparent actions in this ethical dilemma. One being that I accept the bribe and potentially ruin the reputation

of the company. Other repercussions may follow. The second and best action is to politely deny the offer.

8. **Check your gut.** While it may be a difficult conversation, my gut suggests not accepting the bribe and politely declining the offer. I would also discuss the offer to my superiors.