
PROPMORE CORPORATION

BUSINESS ETHICS FINAL

Business Ethics Web
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Submitted by Kathie Volpe
July 17, 2013

STAKEHOLDERS

- Propmore Corp.
- Don Bradford, Manager, Divisional Purchasing Manager, Propmore Corp.
- Jane Thompson, Buyer, Propmore Corp.
- Mr. Stewart, Corporate Vice President of Procurement, Propmore Corp.
- Airgoods Corp.
- Bill Smith, Sales Representative, Airgoods Corp.
- Bob Peters, Buyer, Propmore Corp.
- Ann Perkins, Human Resource Manager, Propmore Corp.
- Joe Maxwell, Manager, Airgoods Corp.

DESCRIPTION OF THE FACTS

After a business meeting, Bill Smith invited Jane Thompson to lunch. Jane returned after 90 minutes and went into Don Bradford's office. She was very upset, and was claiming sexual harassment by Bill Smith.

Jane's side of the story: During lunch towards the end of the meal, Bill Smith made sexual comments and suggestions. Jane found this to be offensive and unwelcome. She asked Bill to drive her back to the office. On the way back, he made further comments and several casual, physical contacts. Jane also objected to these. Bill was very embarrassed and tried to play both incidents off as teasing, and made light of the situation. However, Jane was greatly offended.

She wants the following and may be pursuing the following resolutions:

- Airgoods Corporation taken off the bidder list for raw materials
- Airgoods' president notified of Bill's unethical and illegal behavior
- Considering taking legal action against Bill Smith through the Equal Employment Opportunity Commission for sexual harassment
- Investigate suing the Propmore Corporation for failure to protect her from this type of discrimination while acting as an agent of the company

Bill's side of the story: Bill's side of the story as told by him personally was never stated.

THE INVESTIGATION DONE BY DON BRADFORD, DIVISIONAL PURCHASING MANAGER, PROPMORE CORPORATION

The first thing Don did was look at The Equal Employment Opportunity Commission Definition of Sexual Harassment. It reads as follows:

EQUAL EMPLOYMENT OPPORTUNIT COMMISSION DEFINITION OF SEXUAL HARASSMENT

“Unwelcome sexual advances, requests for sexual favors and other verbal or physical contact of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual’s employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile or offensive working environment.”

“Applying general Title VII principles, an employer, employment agency, joint apprenticeship committee or labor organization (hereinafter collectively referred to as ‘employer’) is responsible for its acts and those of its agents and supervisory employees with respect to sexual harassment regardless of whether the employer knew or should have known of their occurrence.”

-- EEOC guideline based on the Civil Rights Act of 1964, Title VII

The next step was for Don to look at the company’s policy regarding sexual harassment. Propmore Corporation Policy HR-13 states the following:

THE PROPMORE CORPORATION POLICY HR-13

POLICY AREA: Sexual Harassment

PURPOSE: The purpose of Policy HR-13 is to inform employees of the company that The Propmore Corporation forbids practices of sexual harassment on the job and that disciplinary action may be taken against those who violate this policy.

POLICY STATEMENT: In keeping with its long-standing tradition of abiding by pertinent laws and regulations, The Propmore Corporation forbids practices of sexual harassment on the job which violate Title VII of the Civil Rights Act of 1964. Sexual harassment on the job, regardless of its intent, is against the law. Employees who nevertheless engage in sexual harassment practices face possible disciplinary action, which includes dismissal from the company.

POLICY IMPLEMENTATION: Those who wish to report violations of Policy HR-13 shall file a written grievance with their immediate supervisors within two weeks of the alleged violation. In conjunction with the legal department, the supervisor will investigate the alleged violation and issue his or her decision based upon the findings of this investigation within 30 days of receiving the written grievance.

THE INTERVIEWS

In the course of his investigation, Don interviewed the following people. The information found from each is also stated.

Bob Peters: Don interviewed Bob to find out more information about Bill Smith. Bob knew him better, as he had worked with Bill previously on many contracts. Don told Bob of the situation and he downplayed it as “boys will be boys.” He felt the comments were made in a joking manner and “the whole situation was blown out of proportion.”

Ann Perkins, Human Resource Manager: Ann thought about the situation after being told, and indicated this was an unusual case. She noted the harassment did not occur on company grounds, and that Bob Peters is not an employee of The Propmore Corporation.

Don looked at Jane’s personnel file and found a note stating she was released from her previous job for “unsatisfactory work” after complaining of sexual harassment.

Mr. Stewart, Vice President of Procurement and Don’s supervisor: Don called Mr. Stewart to report the incident. Mr. Stewart informed Don that Bill Smith’s wife had left him and their three children several years ago. He noted Bill was a hard worker who was known for occasional odd behavior, but he provided excellent customer service.

Joe Maxwell, Airgoods Corporation, Bill Smith’s supervisor: Don was contemplating calling Bill Smith when Joe Maxwell called him. He gave Bill’s side of the story after questioning Don about whether Jane said anything to him or not. It was decided that an “off the record” conversation would take place. Joe stated that Bill “has told me all the facts and I thought we could put our heads together and nip this thing in the bud.” Joe defended Airgoods’ reputation as having “been a good supplier for some time now.” Joe even discouraged Don from doing an investigation. He claimed Bill thought Jane was “flirting” with him and he didn’t mean any harm.

ANALYSIS USING THE STAKEHOLDER THEORY

Responsibility ranked from most to least, the reason why, and any unanswered or additional questions.

STAKEHOLDER	RANK OF RESPONSIBILITY	REASON(S)
Bill Smith , Airgoods Corp. Sales Representative	1	<ul style="list-style-type: none"> • Made unwanted comments to Jane, then tried to play it off • She refused his advances and requested to be taken back to the office. • Made further comments and touched her • Totally responsible for his actions • Should absolutely face disciplinary action from Airgoods Corp. • Questions: <ul style="list-style-type: none"> ○ Why didn't Bill speak with Don Bradford himself? ○ Embarrassment or guilt? ○ Does he have a history of this behavior?
Joe Maxwell , Bill Smith's boss, Airgoods Corp.	2	<ul style="list-style-type: none"> • Called Don Bradford, Jane's boss, on behalf of Bill Smith • Stated that Bill "has told me all the facts and I thought we could put our heads together and nip this thing in the bud" • Discouraged Don from doing an investigation • Stated "we have to consider business first, right?" • Alleged that Jane might be "PMS" and, within a day or two, might be able to be convinced this was a mistake • By his actions, he was condoning this behavior. • Clearly did not want nor was planning to take any action against Bill Smith • Questions <ul style="list-style-type: none"> ○ Was he worried about personal and professional repercussions for Bill? ○ Why did he become Bill's personal spokesperson? ○ Why did he try to cover it up or make it go away? ○ Does he know that Bill has a history of this behavior? ○ If so, why is he covering it up?

STAKEHOLDER	RANK OF RESPONSIBILITY	REASON(S)
Bob Peters , Buyer, Propmore Corporation	3	<ul style="list-style-type: none"> • Knows Bill better than Don, so Don told him the situation • Has “boys will be boys” attitude • Has witnessed Bill doing this type of behavior previously? • If so and has not stopped it <ul style="list-style-type: none"> ○ He is condoning the actions and putting female employees at risk. ○ He could have taken Jane aside to suggest that she should not have gone to lunch with Bill because of this, or offered to go with them.
Airgoods Corporation	3	<ul style="list-style-type: none"> • The corporation is responsible for making sure its employees follow company policy. • Bill Smith violated the company policy for sexual harassment (although we don’t have it here). • This is evident because Joe Maxwell was worried about the situation so much that he became Bill Smith’s personal spokesperson. • Questions <ul style="list-style-type: none"> ○ Will Airgoods be included in a lawsuit? ○ To what extent is their obligation to Jane?
Ann Perkins , Human Resource Manager, Propmore Corp.	4	<ul style="list-style-type: none"> • Research the legal aspects of this issue • Help Don determine if it is a matter of sexual harassment • Determine whether Propmore Corp is responsible for anything, because it occurred during the work day but off company property • Needs to protect Jane from repercussions of reporting the sexual harassment, which she experienced in her last place of employment • Make sure the policy and procedures are carried out and, if necessary, the proper steps are taken by Airgoods against Bill Smith • Make sure all employees review the sexual harassment policy and procedures, which are to be followed upon receiving a report

STAKEHOLDER	RANK OF RESPONSIBILITY	REASON(S)
Don Bradford , Manager, Divisional Purchasing, Propmore Corp.	4	<ul style="list-style-type: none"> • Do a thorough investigation to figure out the facts of the story from both sides • Should not be convinced by Joe to forget about the investigation • He needs to follow company policy. • He reported it to his immediate supervisor and the HR person as per policy. • Make sure the facts are all there in case Jane decides to sue Propmore for “not protecting” her in this situation • Questions <ul style="list-style-type: none"> ○ Who should he believe/listen to? ○ Will he continue his investigation? ○ What moral obligation does he have to Jane?
Mr. Stewart , Corporate Vice President of Procurement, Propmore Corporation	5	<ul style="list-style-type: none"> • Told Don that Bill’s wife deserted him and the three children as an excuse for this behavior • Stated that “Bill was a hard worker who was known for the occasional odd behavior, but he provided excellent customer service” • Questions <ul style="list-style-type: none"> ○ Had Mr. Stewart seen this “odd behavior” on previous occasions? ○ Did he report it to Bill Smith’s supervisor? ○ Why did he allow Bill Smith to be a salesman to the office if he knew of the odd behavior? ○ Did he know what the “odd behavior” was?

Propmore Corporation	5	<ul style="list-style-type: none"> • The company and its officials have an obligation to investigate situations when reported and to do its best to keep employees safe, even if it means discontinuing use of a vendor. • Questions <ul style="list-style-type: none"> ○ To what extent, legally, is Propmore responsible for its employees' safety? ○ Is it responsible for this because it was during the work day? ○ Should Airgoods Corp be excluded from the vendor list? ○ Should Bill Smith be replaced with another salesperson from Airgoods Corp? ○ Would that be a satisfactory solution for Jane? ○ Were the procedures laid out in the Sexual Harassment policy followed by Don?
Jane Thompson, Buyer, Propmore Corp.	6	<ul style="list-style-type: none"> • Went to lunch with Bill Smith at his invitation • Told him to leave her alone after he made remarks which were sexual in nature, and made her uncomfortable toward the end of the meal • She requested to return to the office after the initial advances. On the way back, he made additional comments and touched her, which was clearly unwanted and not warranted. • Reported the incident to her immediate supervisor upon returning to the office • Needs to write up a report per company policy and procedures • Questions <ul style="list-style-type: none"> ○ Is it truly sexual harassment or just innocent flirting, as Joe said? ○ Does she have a strong enough case to sue the people indicated? ○ Would she be satisfied if Bill Smith was removed from the account and replaced with another salesperson instead of removing Airgoods Corp from the vendor list?

ETHICAL AND/OR LEGAL ISSUES

ETHICAL ISSUE	LEGAL ISSUE	BOTH ETHICAL AND LEGAL
How would the outcome affect Propmore Corporation if it took Airgoods off the vendor list?	Is this really sexual harassment?	If he spoke with Bill Smith directly to obtain his side of the story, would that violate Jane's right to privacy?
How would being taken off the vendor list affect Airgoods?	Does it fit the EEOC guideline?	Was speaking with Joe Maxwell, Don's boss, a violation of Jane's privacy?
Would it affect the companies' relationship if he asked for a different salesperson to be assigned to the company?	How does it fit in with company policy since Bill Smith is not an employee of Propmore Corporation?	If he didn't speak with Bill, would it violate his right to be heard?
What is his obligation to Jane regarding this situation?		
How does he handle the comments of Joe Maxwell? Was that indirectly sexual harassment?		
Was it morally ethical of Joe Maxwell to intercede for Bill Smith?		

CONCLUSION

The moral philosophy that most applies to this situation is the Deontology. This is the theory that emphasizes duty along with human rights. The following was stated in the class text:

“So far we have mentioned legal rules, organizational rules, role-based rules, and professional rules. We can think of these rules as a part of a social agreement, or social contract, which functions to organize and ease relations between individuals.”

This paragraph sums it up for me. It was a social contract that Bill Smith broke when he didn't respect Jane enough to leave her alone after she had said “no.” Bill is no less at fault because he was not on company property. One of the categorical imperatives in the Deontology ethics is: *I should or must obey a fundamental ethical rule no matter what.*

Using the Stakeholder Theory, I evaluated the information given in the materials. Putting myself in the place of Don, I made the following decisions:

1. It clearly is sexual harassment. Jane said no to Bill's advances, and he didn't listen.
2. The least economically impactful decision would be that Airgoods Corporation assigns another salesperson to the account so this doesn't happen again.
3. If Airgoods Corporation is not willing to assign another salesperson to the Propmore Corporation account, they would be dropped from the vendor list.
4. The economic effect for Bill Smith will be felt in the loss of the account.
5. The economic effects could be large for Airgoods if they are dropped from the vendor list, assuming Propmore is a large account.
6. Jane Thompson may not settle until Airgoods Corporation is dropped from the vendor list.
7. Jane Thompson is considering litigation against Bill Smith, Airgoods Corporation, and Propmore Corporation. If she pursues that, the economic impact can/will be larger due to legal fees.

The decision to request another salesperson on the account is the least economically impactful for both companies. If Jane is not satisfied with that outcome, Airgoods Corp. will be dropped from the vendor list. It was a good decision with the least impact for the companies. Honestly, I doubt Joe Maxwell, Bill Smith's supervisor, will give Bill any consequences based on his remarks to Don. This was the best decision for the Propmore Corporation.

WORKS CITED

Laura P. Hartman, Joe DesJardins; *BUSINESS ETHICS: DECISION MAKING for PERSONAL INTEGRITY & SOCIAL RESPONSIBILITY*, Second Edition, Boston; McGraw-Hill Higher Education, 2011. Print.