**Select one of the following Case Studies** 13.1, 13.2, or 13.3.  (Pages 314-316)

Use the guidelines below to draft your analysis of the case. Submit the final deliverable in the team discussion area. Revisit and interact among at least two peers.

 Guidelines for Case Study

1 Brief introductory or problem synopsis

2 Stakeholders or parties of interest involved

3 Critical issues or key findings/observations

4 Propose 2-3 possible alternatives for solving the problem

5 One Recommendation based on the aforementioned alternatives. Note: Be sure to mention why the selected recommendation is the best option. Include any theoretical or academic support to validate your recommended proposal.

\*Note: The questions at the end of each case are thought provoking. However, I prefer for the format of your analysis to be presented as listed above.

**CASE STUDIES**

The following section contains three case studies (Cases 13.1, 13.2, and 13.3) in which ethical leadership is needed. Case 13.1 describes a department chair



who must choose which student will get a special assignment. Case 13.2 is concerned with one manufacturing company’s unique approach to safety standards. Case 13.3 deals with the ethical issues surrounding how a human resource service company established the pricing for its services. At the end of each case, there are questions that point to the intricacies and complexities of practicing ethical leadership.

**CASE 13.1**

**Choosing a Research Assistant**

Dr. Angi Dirks is the chair of the state university’s organizational psychology department, which has four teaching assistants (TAs). Angi has just found out that she has received a grant for research work over the sum- mer and that it includes money to fund one of the TAs as her research assistant. In Angi’s mind, the top two candidates are Roberto and Michelle, who are both available to work over the summer. Roberto, a foreign student from Venezuela, has gotten very high teaching evaluations and is well liked by the faculty. Roberto needs a summer job to help pay for school since it is too expensive for him to return home for the summer to work. Michelle is also an exceptional graduate student; she is married and doesn’t necessarily need the extra income, but she is going to pursue a PhD, so the extra experience would be beneficial to her future endeavors.

A third teaching assistant, Carson, commutes to school from a town an hour away, where he is helping to take care of his aging grandparents. Carson manages to juggle school, teaching, and his home responsibilities well, carrying a 4.0 GPA in his classwork. Angi knows Carson could use the money, but she is afraid that he has too many other responsibilities to take on the research project over the summer.

As Angi weighs which TA to offer the position, a faculty member approaches her about considering the fourth TA, Analisa. It’s been a tough year with Analisa as a TA. She has complained numerous times to her faculty mentor and to Angi that the other TAs treat her differently, and she thinks it’s because of her race. The student newspaper printed a column she wrote about “being a speck of brown in a campus of white,” in which she expressed her frustration with the predominantly white faculty’s inability to understand the unique perspectives and experiences of minority students. After the column came out, the faculty in the department became wary of working with Analisa, fearing becoming part of the controversy. Their lack of interaction with her made Analisa feel further alienated.

Angi knows that Analisa is a very good researcher and writer, and her skills would be an asset to the project. Analisa’s faculty mentor says that giving the position to her would go a long way to “smooth things over” between faculty and Analisa and make Analisa feel included in the department. Analisa knows about the open position and has expressed interest in it to her faculty mentor, but hasn’t directly talked to Angi. Angi is afraid that by not giving it to Analisa, she may stir up more accusations of ill treatment while at the same time facing accusations from others that she is giving Analisa preferential treatment.

1. Of the four options available to Angi, which is the most ethical?

2. Using the principles of distributive justice,who would Angi choose to become the research assistant?

3. From Heifetz’s perspective, can Angi use this decision to help her department and faculty face a difficult situation? Should she?

4. Do you agree with Burns’s perspective that it is Angi’s responsibility to help followers assess their own values and needs in order to raise them to a higher level that will stress values such as liberty, justice, and equality? If so, how can Angi do that through this situation?

**CASE 13.2**

**How Safe Is Safe?**

Perfect Plastics Incorporated (PPI) is a small injection molding plastics com- pany that employs 50 people. The company is 10 years old, has a healthy balance sheet, and does about $4 million a year in sales. The company has a good safety record, and the insurance company that has PPI’s liability policy has not had to pay any claims to employees for several years. There have been no major injuries of any kind since the company began.

Tom Griffin, the owner, takes great pride in the interior design and work- ing conditions at PPI. He describes the interior of the plant as being like a hospital compared with his competitors. Order, efficiency, and cleanliness are top priorities at PPI. It is a remarkably well-organized manufacturing company.

PPI has a unique approach to guaranteeing safe working conditions. Each year, management brings in outside consultants from the insurance indus- try and the Occupational Safety and Health Administration (OSHA) to audit the plant for unsafe conditions. Each year, the inspections reveal a variety of concerns, which are then addressed through new equipment, repairs, and changed work-flow designs. Although the inspectors continue to find opportunities for improvement, the overall safety improves each year.

The attorneys for PPI are very opposed to the company’s approach to safety. The lawyers are vehemently against the procedure of having out- side auditors. If a lawsuit were to be brought against PPI, the attorneys argue that any previous issues could be used as evidence of a historical pattern and knowledge of unsafe conditions. In effect, the audits that PPI conducts voluntarily could be used by plaintiffs to strengthen a case against the company.

The president and management recognize the potential downside of outside audits, but they point out that the periodic reviews are critical to the ongoing improvement of the safety of everyone in the plant. The purpose of the audits is to make the shop a secure place, and that is what has occurred. Management also points out that PPI employees have responded positively to the audits and to the changes that result.

**Questions**

1. As a company,would you describe PPI as having an identifiable philosophy of moral values? How do its policies contribute to this philosophy?

2. Which ethical perspective best describes PPI’s approach to safety issues? Would you say PPI takes a utilitarian-, duty-, or virtue-based approach?

3. Regarding safety issues,how does management see its responsibilities toward its employees? How do the attorneys see their responsibilities toward PPI?

4. Why does it appear that the ethics of PPI and its attorneys are in conflict?

**CASE 13.3**

**Reexamining a Proposal**

After working 10 years as the only minority manager in a large printing company, David Jones decided he wanted to set out on his own. Because

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of his experience and prior connections, David was confident he could survive in the printing business, but he wondered whether he should buy an existing business or start a new one. As part of his planning, David contacted a professional employer organization (PEO), which had a sterling reputation, to obtain an estimate for human resource services for a startup company. The estimate was to include costs for payroll, benefits, workers’ compensation, and other traditional human resource services. Because David had not yet started his business, the PEO generated a generic quote applicable to a small company in the printing industry. In addition, because the PEO had nothing tangible to quote, it gave David a quote for human resource services that was unusually high.

In the meantime, David found an existing small company that he liked, and he bought it. Then he contacted the PEO to sign a contract for human resource services at the previously quoted price. David was ready to take ownership and begin his new venture. He signed the original contract as presented.

After David signed the contract, the PEO reviewed the earlier proposal in light of the actual figures of the company he had purchased. This review raised many concerns for management. Although the goals of the PEO were to provide high-quality service, be competitive in the marketplace, and make a reasonable profit, the quote it had provided David appeared to be much too high. It was not comparable in any way with the other service contracts the PEO had with other companies of similar size and function.

During the review, it became apparent that several concerns had to be addressed. First, the original estimate made the PEO appear as if it was gouging the client. Although the client had signed the original contract, was it fair to charge such a high price for the proposed services? Would charging such high fees mean that the PEO would lose this client or similar clients in the future? Another concern was related to the PEO’s support of minority businesses. For years, the PEO had prided itself on having strong values about affirmative action and fairness in the work- place, but this contract appeared to actually hurt and to be somewhat unfair to a minority client. Finally, the PEO was concerned with the implications of the contract for the salesperson who drew up the proposal for David. Changing the estimated costs in the proposal would have a significant impact on the salesperson’s commission, which would negatively affect the morale of others in the PEO’s sales area.

After a reexamination of the original proposal, a new contract was drawn up for David’s company with lower estimated costs. Though lower than the original proposal, the new contract remained much higher than the average contract in the printing industry. David willingly signed the new contract.

**Questions**

1. What role should ethics play in the writing of a proposal such as this? Did the PEO do the ethical thing for David? How much money should the PEO have tried to make? What would you have done if you were part of management at the PEO?

2. From a deontological (duty) perspective and a teleological (consequences) perspective, how would you describe the ethics of the PEO?

3. Based on what the PEO did for David, how would you evaluate the PEO on the ethical principles of respect, service, justice, honesty, and community?

4. How would you assess the ethics of the PEO if you were David?If you were among the PEO management? If you were the salesperson? If you were a member of the printing community?