

Dilemma: Right vs. Right

Dilemma: "Smoothing" the Factory's Accounts

As the young, newly appointed manager of a chemical plant, Alex learns that a team of internal auditors from his firm's home office will descend on his factory in two days. He prepares his staff as best he can. The day before the auditors arrive, one of his assistants discovers some disconcerting news. It appears, he says, that Woody, a 30-year veteran of the plant, has been systematically altering accounts for years. Month by month, Woody has been shipping products to customers without billing them—and then billing customers without shipping anything.

Alex is stunned. Seeking an explanation, he learns that the practice has nothing to do with fraud. Woody wasn't lining his own pocket. He was simply trying to be helpful. His goal was to smooth out the cyclical nature of the orders so that, month by month, the figures sent to the home office appear level and consistent, with no peaks and valleys. On balance, Alex finds, no money has been lost or gained: It all balances out in the end. And while the amount is not immense, the funds affected amount to perhaps five percent of the plant's annual earnings.

In one sense, Woody's adjustments have benefited Alex, who has already been complimented by higher-ups for his astute forecasts and for meeting his targets so accurately. But Alex also knows that if these practices were to come to light, Woody would be fired instantly—he himself, though ignorant of the practice until now, might have some tough explaining to do. After all, Woody has been fudging records and mistating corporate revenues to management, shareholders, and the IRS.

Analysis

As Alex sees it, he has a moral dilemma rather than a legal imperative. There is no doubt in his mind that the practices must stop. His question, however, is how best to stop them. He sees his dilemma as one involving justice versus mercy. Adhering strictly to a sense of justice, he could inform the auditors the moment they arrive of his recent discovery. Or, seeking a merciful outcome that would protect the career of a long-standing and very loyal employee, he could try to buy a little time, enabling him to deal with the situation internally, quietly, and with compassion. Deal with it he must. But how, and when?

Note: This and other dilemmas on this site come to you without their real-life resolutions. We encourage you to think for yourself about how you might resolve them, since the nature of each dilemma is highly individualistic. In sharing these dilemmas, we do not endorse them in any way, but rather offer them for your consideration.