

## **Dilemma: Right vs. Right**

### *Dilemma: How to Keep the Chips from Falling?*

Mr. Potato Chip Company has been a well-respected New England manufacturer for many years. Recently the company has decided to expand into new markets to assure a competitive advantage. To do this, they will need to attract new investors, and to accomplish that, they will need to show they are capable of producing a solid return on investments each year.

In keeping with these objectives, a policy has been instigated which reduces the finished products' inventory to a rock bottom level each June 30th, which is the end of the company's fiscal year. Why? The lower the inventory, the less money is tied up. This situation, in turn, tends to put the company in a better cash position at year end, which means that more money can be passed on to the stockholders as earnings per share.

As the recently hired production manager, Jane realizes there is a downside to this policy. With inventory levels on June 30 lower than at any other point during the year but with demand for potato chips higher than usual, the net result is an inability to meet the total customer demand for various types of potato chips. In fact, once inventory levels are reduced, it will take more than one month to get the process back to normal and running smoothly again.

The effect, Jane predicts, will be both lost sales at year end and a number of operations problems associated with a low-inventory situation.

For Jane, the dilemma is whether or not to confront senior management with these problems. Should she question outright the wisdom of the policy?

### *Analysis*

She knows, on the one hand, that it is right to provide short-term, bottom-line performance for the company's stockholders. After all, they own the company, and there is nothing inherently wrong with reducing inventory levels, particularly given the need to attract new investors. And, is it really her place to question the decisions of senior management, especially being a new manager?.

But isn't it also right, she reasons, to protect the longer-term interests of the company by providing customers with what they want when they want it? Perhaps if stakeholders were aware of the effects of this policy, they would reconsider being concerned with only the short-term bottom line. If ending the policy will result in more sales, might that not also result in greater earnings per share for stockholders down the road?

Applying the ends-based principle — the greatest good for the greatest number — Jane identifies the "greatest number" as being the customers and the factory workers. The stockholders and senior managers are relatively few in number. So the greatest good would be to change the policy.

As for the rule-based approach, what might the rule be? Do what you need to do — even if it results in some extra costs and customer dissatisfaction — to meet critical strategic plans? Don't play games with numbers at year end no matter what? Always have

enough products in stock to meet the maximum expected customer demand?.

If Jane applies the care-based, or reversibility, principle and puts herself in the position of others, she can readily see that the workers and investors will choose the long-term approach, whereas senior management and the stockholders may well choose the short-term approach. But is a short-term focus really desirable, even from the stockholders' perspective?

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.

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### *Dilemma: The Second Choice Asks a Hard Question*

The SMN Corporation has enjoyed a great growth spurt in the past three years. Because of increased sales, the CEO decides to create a new director level position. The position requires extensive business expertise, an understanding of the SMN Corporation's industry, and exemplary interpersonal skills.

Two candidates remain after the final interviews: John, an external candidate with a sound business background, and Mary, a candidate from within the company, who also has the required skills. After due consideration, the Vice President for Human Resources decides to offer the position to John. John considers the offer for several days, but ultimately declines the position.

The Vice President then meets with Mary, and offers her the position. Upon hearing the offer, Mary pauses. She looks the VP straight in the eye and asks, "Was the job offered to John first?"

How should the vice president respond?

### *Analysis*

The vice president is caught in a basic dilemma between truth and loyalty: should he adhere to a policy of honesty and tell Mary the truth? Or should he maintain a sense of loyalty to John and to the principle of confidentiality by saying nothing at all? Both responses can be considered "right" resolutions: how can one decide between the two?

Deciding between two rights can become clearer if one looks at the dilemma from the perspective of ends-based, rules-based, and care-based principles.

Using an ends-based resolution perspective, the vice president might ask, which answer would provide the greatest good for the greatest number here? If he tells the truth to Mary, would that be the best thing for the greatest number of people, such as the company as a whole? Or by not answering and maintaining some confidentiality, would that benefit the greatest number of people, including Mary herself?

From a rules-based perspective, the vice president could ask himself, what would I want all other human resource directors to do in this case? Would I want all of them to tell the absolute truth, or would I want all of them to retain some discretion in what they reveal about the hiring process?

Taking a care-based view, the vice president would consider how he would feel if he were in the other person's shoes. How would Mary feel knowing that she was the second choice? How would John feel if he knew that Mary realized he had declined the job? How would those working for Mary feel if they learned she was the second choice?

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*Dilemma: What to Say to the Man Let Go?*

Mary worked as a secretary in a department within a branch of a large corporation. The branch director had decided that the job of her department director, Jim, would soon be discontinued. Although Mary and a few others in her department had this knowledge, Jim did not.

For a few weeks, Jim was directed to work on an array of special projects at his home office. In the meantime, an employee from a different department was told to move in to Jim's office.

The branch director instructed Mary and other support staff to change Jim's voice mail, move his files out of the office, and erase his name from his assigned parking spot. Mary was told that the human resources department would call Jim to let him know what had taken place.

That week Jim called Mary because he could not get into his voice mail. He wanted to know if there were any technical problems. Mary felt torn: should she tell him the truth now or should she rely on human resources staff to tell him?

### *Analysis*

Of the four dilemma paradigms that Mary might use to define the type of conflict she is experiencing — truth versus loyalty, short-term versus long-term, justice versus mercy, and individual versus community — truth versus loyalty seems most apt.

Mary might look at this situation as a "right versus right" conflict: should she tell Jim the truth, which is a right thing to do, or should she remain quiet and trust that the company would properly inform Jim, thus remaining loyal to the company? By defining the type of dilemma she faces, Mary is better able to decide how to resolve it.

Using an "ends-based" principle, Mary could ask herself: which decision would provide the greatest good for the greatest number of people? If she told Jim over the phone, it might release her fellow staff members from an awkward situation.

Drawing upon a "rules-based" principle, Mary would ask herself what would happen if everyone did what she was about to do? If everyone told secrets, what would be the result? If everyone withheld important information from each other, what would her world be like then?

Under the principle of the Golden Rule, or "do unto others as you would have them do unto you," Mary might consider what it would feel like to be in Jim's shoes. Would it be better to be told that your job was gone by a fellow worker in your own department or by the staff at the human resources department?

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