

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

*Dilemma: Not a Bang—Just a Whimper. What's Going On?*

Larry was a young port engineer who worked energetically for his shipping company, overseeing repairs and related projects. He was proud when he was put in charge of a multi-million-dollar repair order for one of his company's ships. The repairs were contracted out to a major shipyard, and everything went smoothly until the end of the project. When he was handed the bill, however, he realized it had been inflated by about one-third of total project costs.

Larry was shocked. He had never been confronted by such an apparently corrupt practice before. After delaying the "sign off" for a couple of days, he approached his boss, pointed out what was going on, and explained why he could not sign off. His boss asked for specifics, which he readily supplied.

A meeting was arranged between shipyard and shipping company officials, who went over the disputed items. They agreed that the shipping company was being over-billed by millions of dollars. To Larry's surprise, there was little reaction from either side of the table. Nor was there any definitive, ethical stance from his company.

The meeting was adjourned until the next day, when shipyard officials offered to split the difference. Both parties turned to Larry for approval, who explained that he couldn't sign off on the adjusted bill, either. Again, the meeting adjourned with no apparent reaction, and Larry left in a daze.

By the time of the third meeting, Larry was beginning to piece things together. Apparently his superiors respected his integrity. They were following orderly procedures to arrive at a final bill. But he couldn't help noticing their lack of outrage and conviction. What would drive them to such a compromise? What would make such a fine company turn a blind eye to such practices?

### *Analysis*

As Larry thought it over, he realized that there was more at stake here than a dispute over a bill. Good shipyards with skilled labor on hand were increasingly scarce, and Larry's company was dependent on the few that remained. If his company took the shipyard to court, the shipyard might be prevented from further operation. What would Larry's company do then? As Larry considered the larger picture, he began to understand that his own truth vs. loyalty dilemma was in fact a short term vs. long term dilemma for his bosses. Larry had to decide between signing off loyally on a bill he knew to be dishonest, or sticking up for the truth. Was it better to rid the industry of corrupt practices in the long term, even if meant that in the short term there were no good shipyards in operation? Or was it better to tolerate such practices now and ensure that ships could continue to be repaired well into the future?

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*Dilemma: Mates' Rates or Market Rate?*

Samuel approves leases for Bayside Properties, a real-estate company. One day, Elaine, a real-estate appraiser, approached Samuel to inquire about leasing office space in one of the company's buildings. Elaine had previously rented space in a Bayside's building, but that building had been sold and Elaine had to find new space at the end of her lease. Samuel would like to rent to Elaine—she is not only an ideal tenant with an excellent credit record with the company, but Samuel knows that Elaine is in the position to speak favorably to others about the company's good service and careful maintenance of their buildings. In addition, Elaine is a close family friend.

Samuel has the perfect space for Elaine coming available just when she needs it. The problem is, rental rates have increased quite a bit since Elaine signed her last lease with Bayside, and it is more than she wants to pay. Elaine asks Samuel for a break on the rent. What should he do?

### *Analysis*

Samuel sees this dilemma as a self-versus-community dilemma. He would like to do a favor for a good friend—and save himself the job of checking out the credit record of prospective tenants—but he knows his job is to maximize rental income for the good of the company as a whole. From the point of view of justice versus mercy, Samuel feels it wouldn't be ethical to charge less for one tenant, while at the same time he understands Elaine's problem of finding space she can afford, and wants to help her out. At first look, though, it seems as if Samuel has no choice but to charge the going rate for the property.

Thinking the dilemma through some more, though, Samuel sees that the dilemma could also be viewed as a short-term versus long-term situation: Charging the going rate would result in more money for the company in the short term, but there was a good possibility that doing Elaine this favor would result in more business for Bayside in the future because of Elaine's business contacts. Also, by renting to Elaine, Bayside would save the cost of advertising the space or paying a broker's commission (good for the short term), and who knows how long the property might be empty before it was rented (a possible long-term consideration)? And what if the new tenant proved to be a "problem tenant"? Elaine, after all, had proven herself to be a model tenant.

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### *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?

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### *Honour Confidentiality or Prtect a Child? An Insurance Adjuster's Dilemma*

Don Riles, insurance claims adjuster, had the day off. He was playing with his 4-year-old daughter Erica when the telephone rang. At the other end of the line, Don's supervisor apologized for interrupting his time away from the office, and pleaded for his help. Would Don please visit a woman in his neighborhood who had made claims for bodily and mental injury resulting from a car crash with a person insured by Don's company? The woman had consented to a visit from their adjuster to assess the injuries to her nose and her mental state. (Apparently the crash had caused her to relapse into a condition of paranoia and manic depression, previously stabilized.)

The claims adjuster in charge of the case had called in sick, and scheduling the appointment had been difficult. Would Don please fill in? Don agreed readily, but asked if he could bring his daughter--it was their day together while his wife worked. Don's supervisor gratefully assured him that bringing the little girl along was no problem.

When Don arrived at the woman's house, he discovered no one at home, so he and his daughter waited in the car. Eventually, the woman arrived, parked, and emerged from her car, at which point Erica cried happily, "It's Miss Anderson!"

"Who is Miss Anderson?" asked her father with surprise. Miss Anderson turned out to be Erica's day-care teacher. Don conducted a short interview with the woman on the front steps of her home, satisfying himself that she did indeed have some facial injuries and that she was taking prescription medicine for her mental problems.

Insurance ethics mandates that claims investigations are completely confidential. An insurance professional with knowledge of a claims case is expected to keep silent and to refrain from using the knowledge for personal benefit.

Don had a real dilemma. On one hand, to uphold his industry's code of ethics, he was not to discuss or act on the information he had received about Miss Anderson's situation. On the other hand, he did not want his daughter under the care of a person who was undergoing treatment for mental illness and who might be dangerous. Don's wife was an insurance claims adjuster for another company. Even if Don told her, she was bound by the same code of ethics.

As a last resort, Don called Miss Anderson's lawyer and asked if she would leave her job until she became stabilized. Her lawyer said that it was out of the question.

What should Don do?

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*Dilemma: Perfect Run or Avalanche? An Ultimate Ski Dilemma.*

Ultimate Ski Expeditions provided just what the name implied: an opportunity for top-notch skiers to have the run of their lifetime. The company took groups by helicopter to peaks of virgin snow and treacherous terrain. The small company had been tenuously established for two seasons when Mike joined as a field guide—it was Mike's primary job to ensure the safety of the skiers.

Mike liked his boss, Charlie Masterson, but often felt sorry for him. As owner of the company and its official manager, Charlie had too much riding on each expedition. Insurance costs for such an operation were exorbitant, and since each participant had to pay thousands of dollars, it was always difficult to book a party fully and cover all expenses.

One February morning, after a spell of bad weather and a consequent lack of expeditions, Mike was slated to accompany a group down Proud Peak, an hour away by helicopter. This morning's trip meant everything to Charlie and Ultimate Ski Expeditions. There was every indication that a successful trip would keep the company afloat, but any mishaps could mean the end of the business Charlie had worked so hard to create.

The sky that morning was a clear, bright blue. There was little wind, and it was perfectly safe to board the helicopter and land at the top of the mountain. Mike had awakened with an uneasy feeling about the outing, however, and he couldn't shake it off.

Although Mike was trained in every aspect of skiing and felt confident about his ability to manage any challenge, there were some factors out of anyone's control. Part of Mike's job was to check conditions and decide whether or not it was safe to ski a slope. In his backpack, Mike carried gear used to test the snowpack and determine if avalanche conditions prevailed. Proud Peak had accumulated many inches of snow in recent blizzards, and no one had been near the ski slope recently.

As the helicopter approached the mountain, Charlie waxed poetic about the experience each skier was about to undergo. The plan was for the skiers and Mike to disembark by towrope and ski the mountain, while Charlie and the pilot monitored the activity from aloft.

The eight skiers were let down at the top of the mountain. Mike got out his testing gear and set to work. After considering his data for a moment, Mike repeated the operation. In the helicopter above, Charlie sat watching, his walkie-talkie held at the ready. Mike looked at his second batch of results. They told him that skiing the slope was a gamble. The conditions were right on the edge of "avalanche."

With luck, the group could ski safely. Mike knew that plenty of skiers had skied through similar conditions with no harm at all. But if the snow shifted and began to slide, Mike also knew there was a chance no one would get off the mountain alive.

As if from far away, Charlie's voice reached Mike over the walkie-talkie. His tone was forced and bright.

"So, Mike! It looks like a perfect day for a perfect run! Let's hear the go-ahead and get these people on their way!"

Should Mike give the go-ahead, or play it safe?.

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