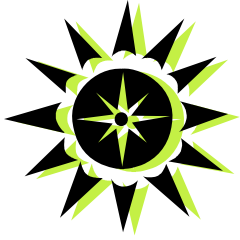


Ever-Ready Security Stage 1: An Awakening Problem?



"Marsha, we've got a problem here."

The phone call had come from Dennis, the Operations Director at Harley-Davidson's parts storage facility. He continued, "this is the *second* time I've found graffiti on the back of the building—and not just one bad word, Marsha. I'm talking about a really detailed, multicolored little portrait by some punk who thinks he's an artist. Your man Steve must have been sleeping on the job."

Marsha took a deep breath. She was the Director of On-Site Services for Ever-Ready, the security company that handled overnight services at Harley-Davidson's storage facilities. The guards were supposed to patrol the site, verify that the entrances were secured, and report any unusual activity to management and the local police or fire station, if necessary. Steve was supposed to make one loop around the site each hour, from dusk until the first shift reported in the morning.

Marsha asked, "You're sure the graffiti wasn't there before Steve's shift started that night?"

"I'm positive. A couple of nights ago, when I entered the building unannounced, I'm positive that Steve had just woken up from a little nap in his chair. Listen, I'm going to give you a few days to figure this out. But for your sake and mine, I'd better not see any more sleepy-eyed security guards."

"Dennis, thank you for alerting me. I'm sorry to hear you've had a problem with security, and I promise to do whatever is necessary to ensure that it doesn't happen again." She hung up, feeling a little nervous: Harley-Davidson was Ever-Ready's biggest client.

Marsha called Steve at work that Thursday night. Steve acknowledged not catching the graffiti, and apologized for not reporting the incident. But he said, "That location is in a really dark area in the back of the building. There is no lighting. So I doubt I would have seen it even if I were looking for it. Not to mention those bushes and pallets back there...whoever did it could have hidden right behind them while I walked around. I told Dennis that I'm going to check out those areas from now on when I walk around. Really—I've got a handle on it, Marsha. It's definitely not going to happen again."

Discussion Questions

1. (Work individually). Assume you are Marsha and you just talked to Steve. What information do you know? What information do you need to know? How can you get this information?
2. (Work as a team). How would you handle Dennis' concerns? What actions—if any—would you take with Steve?

Ever-Ready Security: Stage 2: An Increasingly Candid Situation



The next Monday evening, Marsha drove out to the Harley-Davidson plant thirty minutes before Steve's shift. She told Dennis, "I'm here to determine whether or not Steve is doing his job. I'll be back tomorrow to follow up. Can you let me into the guard's office?"

Dennis admitted Marsha to the office and left for the day. Marsha took out a small video camera from her purse and turned it on. She then hid the camera in the bookshelf next to Dennis' chair and left the building.

Discussion Questions

1. (Work as a team). Discuss the issues around Marsha's decision to hide the camera. Using the three theories of ethics (listed below), decide whether or not Marsha's actions are ethical.
2. (Work individually). Imagine you are Marsha's supervisor. Write a memo to Marsha, evaluating her handling of the situation at Harley-Davidson.

Ethical Theories

Stockholder theory. Management's ethical duty is toward the stockholders. Management's responsibility is to use its resources in a manner that maximizes profits and returns to the owners of the corporation. This responsibility is qualified in two ways:

- Management is bound to use legal and non-fraudulent means
- Management must favor a long-term view of stockholder interest over a short term view

Stakeholder theory. Management is bound to the stockholders of the company, but also has a fiduciary responsibility to all who have a stake or claim to the firm. A stakeholder is "any group that vitally affects the survival and success of the corporation, or whose interests the corporation vitally affects" (p. 199). Stakeholders might include:

- Customers
- Employees
- Suppliers
- Local community

Stakeholder theory states that corporations must balance the rights of all stakeholders when evaluating the ethics of a decision. They must also be careful not to impinge on the rights of any one stakeholder.

Social Contract Theory. Social contract theory states that a corporation must strive to create more value to society than it consumes. In short, corporations must create value for consumers and for its employees, and the decisions made must reflect a movement toward that value creation. Profits are of less a concern than improvement of society and basic tenets of fairness and justice.