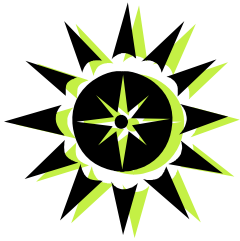


Ever-Ready Security

Stage 1: An Awakening Problem?



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

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

Harry took a deep breath. He was the Director of On-Site Services for Ever-Ready, the company that handled security at Harley-Davidson's manufacturing plant. Harley-Davidson manufactured motorcycles: Ever-Ready's 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.

Harry asked, "You're sure the spray paint 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." Harry hung up, feeling a little nervous: Harley-Davidson was Ever-Ready's biggest client, and he could not afford to lose its contract.

Harry called Steve at work that Thursday night. Steve acknowledged not seeing the spray paint, and apologized for not reporting the incident. But he said, "That location is in a really dark area in the back of the building, by the loading dock. There is no lighting. So I doubt I would have seen it even if I were looking for it. Not to mention the garbage cans 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, Harry. It's definitely not going to happen again."

Focus Questions

1. (Work individually). Assume you are Harry 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, Harry drove out to the Harley-Davidson plant thirty minutes before Steve's shift. Harry 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 Harry to the office and left for the day. Harry took out a small video camera from his purse and turned it on. He then hid the camera in the bookshelf next to Steve's chair and left the building.

Discussion Questions

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

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.

Master list of learning objectives for the Ever-Ready Security problem.

Participants in this problem will:

1. Be introduced to a difficult management situation based on a real world situation.
2. Learn to define what they know and don't know in an ambiguous management situation involving an employee and an angry client.
3. Practice forms of business communication, including writing memos, talking to clients and addressing concerns with employees. In such communications, it will be important to describe specific actions that will be taken, and to justify decisions in writing.
4. Be introduced to three theories of business ethics, and have practice applying them to a situation.
5. Discuss a manager's options, including when he is justified in pursuing a company's best interests.
6. Be introduced to problem-based learning procedures, including writing learning issues, discussing difficult cases in small groups, and writing collaboratively.
7. Learn the importance of company policy in guiding managerial actions and decisions.
8. Practice discussing when an employee can or should be terminated.
9. Practice ways to sensitively question employees about their own job performance.