

Cash For Your Inconvenience-An Ethical Question

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ABSTRACT

What should you do when a vendor pays you for the inconvenience you incurred when you used their service while on company business? You were the one who endured the discomfort, not the company. Do you simply turn the money over to the company or are you justified in keeping it as compensation for your inconvenience? What is your ethical obligation to the company as compared to your right to be compensated for your discomfort? This case examines an actual situation incurred by an employee and follows the unintended consequences of the actions taken.

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A HERE'S THE CASH

This was before the airplanes were packed and flying was fun. You have recently joined the company with a big promotion to CFO and increase in salary. You go on a business trip to New York. Your company has purchased the check through its travel department. Flying back to Los Angeles from New York, your company allows you to fly first class. However, over Ohio, the pilot comes on and says that due to an electrical problem with the oxygen system in first class, they are going to have to land in St. Louis to get the problem fixed. A minute later he comes on with the following announcement. If the people in coach will agree to move to the back of the plane, and the first class passengers will agree to move to the front of coach, we will not have to stop in St. Louis and will continue on to LA. Everyone agrees and the fat cats and you move back to the front of coach where they are comfortably seated with vacant seats or aisle on each side of them. Of course, the drinks continue to be free even though you are now in coach. When you land in LA, the first class passengers get off first and waiting at the ticket desk are two clerks. One asks your name and the other gives you a check for \$400 which is the difference between the first class ticket and the normal coach ticket. It appears that the chances of anyone in the company finding out about the check without you telling them are about nil.

What do you do with the check?

Questions to Consider:

1. Who does the money belong to?
2. What are the arguments for you to just keep it?
3. Should you tell your company about it? Why or why not?
4. How do you think your employees would feel about you keeping the check?

B TURNING IT IN

You decide to turn the check back in. You take the check back to the office and turn it in to the Controller with your expense report. He asks you what it is and you tell him what happened. He replies why didn't you just keep it?

Questions to Consider:

1. What would the reasons you would turn the check back in?
2. What is your reaction to the Controller's response?
3. Do you think this would affect your relationship with the Controller? Why or why not? How?
4. Do you think you need to follow up on anything with the controller?

C SOMEONE ELSE KNOWS

A couple of weeks later you are asked to a meeting in the President's office. He introduces you to the President of a Sister Company. You realize that you have seen him before although you know you have not met him. After the meeting, you realize he was sitting in front of you on the plane.

Questions to Consider:

1. How do you think you would feel if you had kept the check?
2. Had you kept the check what would you do now?
3. Would you be curious if he had turned his check in? If so, would you do anything to find out?



INSTRUCTOR NOTES

The purpose of these case is to give the students insight in to an actual experience of one of the authors. It will provide a test of their own morals, the effects of your actions on other employees, relationship with other company personnel, and the possible consequences of not fully disclosing events.

A. Here's the Cash

This situation gives the employee the opportunity to put some cash in his pocket related to his employment but unknown to his employer. You should explore to whom the money really belongs-to the company because they paid for the trip or to the employee because he suffered some "inconvenience." Some students will likely immediately say the money belongs to the company on a moral basis while others will likely come up with reasons why the money belongs to them. Explore the morality question but specifically examine the justifications that students come up with to keep the money. Ask if they are simply rationalizing because they want to keep the money. Also you should point out as CFO you are responsible for protecting the company's assets, enforcing the rules and setting the example. Would keeping the money be in conflict with any of these tasks? At this point, it appears that no one would ever know about this. Does that fact affect their decision. Ask how they would behave if it was known up front that you got the money. If that is the case, would they do something different? Be sure to focus on the fact that you are new to the company with a big promotion and salary. Is it worth jeopardizing your reputation as well as your job for a few dollars?

B. Turning It In

Since you decided to turn it in, you told your controller about it and got his reaction. Again explore the reasons for turning it in. Was it morals? Were you afraid that you might get caught? Is this a way to set an example for your employees as to how you are going to do things? Ask the students what they would think of the controller after this exchange. What do you think of his honesty/integrity? Is this an offhand comment or do you think there might be a problem? If it is a problem, what is it?. If it is, what are you going to do about it? If it is not a problem, why not? In this example the controller was let go after about nine months

C. Someone Else Knows.

With this part of the case, students might be able to see some ramifications of keeping the check. For those who previously said they would keep the check, ask them how they feel about that decision now. Most will probably not change but some will. Explore why they changed. Also focus on what they would do now if anything. Again most will stay the course, but for the ones who change, see what next steps they can come up with.