

## **It's Just the Nearness of Who?** **(Case 1019)**

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### **The Case:**

Tim Mover, a young professional engineer with about 10 years of experience, is employed by Global Engineering and Construction, Inc., a large, international design and construction firm. He is proceeding quickly up the corporate ladder and was recently assigned as regional manager in a branch office several hours by airplane away from the main office. Although the office is small, he has a staff consisting of an assistant manager and a secretary. Tim is aware that the firm is negotiating a multi-million dollar contract that will require someone with a background such as his to be the overall project manager. Although Tim is relatively young for such a position, he suspects that his current job as branch manager was arranged in order to evaluate his potential and ability to handle the multi-million dollar project. If he gets the new assignment, he will move to the project site several states away within the next two years.

As for Tim's current assignment, his office is responsible for project development and preliminary designs, as well as supervision of on-going contracts. Tim's assistant, Roy Stalward, is a seasoned, field-oriented engineer who is 15 years older than Tim. Roy is highly respected in the home office and his opinion in construction matters is rarely questioned. Roy has had 10 years of experience in this same branch office. His area of responsibility is managing the on-going projects, thereby relieving Tim to concentrate on developing new projects, project planning and client relations in the area.

Tim's initial impression of Roy confirms Roy's reputation. However, within a month of Tim starting work in the branch office, he observed Roy in the company of a particularly attractive younger woman. As Roy is not married, Tim thought nothing unusual about the occurrence. The next week, however, Tim attended a meeting with one of the firm's major subcontractors, Hotspark Electrical Co., and the same young lady was present. It turned out that she is the daughter of Hotspark's owner, as well as the general manager of the electrical subcontracting company. Over the next six months Tim twice observed Roy and the young woman at unusual times and in locations which suggested something other than a strictly business relation between them. Finally Tim confronted Roy directly and asked if he had a personal relationship with the young lady. Roy said that he did not.

Tim now faces a dilemma. Tim is Roy's supervisor, but because of Roy's seniority, Tim is not in a position to reassign or fire him. Tim suspects that

Hotspark Electrical is receiving preferential treatment at the expense of his firm, Global Engineering and Construction, but he has been unable to document anything specific. Regardless of documentation, Tim is concerned that compromises in the quality of the work performed by Hotspark will inevitably occur in the future on some on-going projects. Global does not have an explicit policy preventing personal employee relationships with subcontractors. Nonetheless, Tim was once told that the president of Global takes a personal interest in "conflict of interest" situations, particularly if they cost the firm money.

Should Tim do something, and if so what? (Roy is still held in highest regard by everyone else in the firm, and Tim probably only has a year or so left in this branch office before going on to manage the multi-million dollar project.)

### **Alternate Approaches and Survey Results for "It's Just the Nearness of Who?" (Case 1019)**

1. Tim should do nothing, since it would be a case of Tim's word against Roy's, and Tim has no documented evidence of any specific "favors" having been given to Hotspark.  
Percentage of votes agreeing: 5%
2. Tim should go to Global's main office, have a meeting with the company president and apprise him/her fully of the situation, emphasizing Roy's value to the firm. He should then ask for advice on how to handle the situation from that point on, in the absence of specific written company policy.  
Percentage of votes agreeing: 6%
3. Despite the fact that Tim is being groomed for increased managerial responsibilities in a different location, he should discuss the situation with his immediate supervisor on a confidential basis. He needs to explain that he has found nothing that indicates improper activities are taking place, but there is a perception. He should seek advice and direction from this immediate supervisor.  
Percentage of votes agreeing: 19%
4. Tim should ask the president's office for a specific written policy covering situations such as this as an addition to Global's company employee policy manual, without indicating that there is an immediate problem, or who might be involved. Then he should use the new written policy to take appropriate action with Roy.  
Percentage of votes agreeing: 10%
5. Tim should check the bidding procedures and history of Hotspark's involvement with Global, including an informal audit of the quality of Hotspark's work. If there are irregularities in that regard, Tim should confront Roy for an explanation. If he is not satisfied by Roy's response, Tim should then speak with the president of Global. However, if there are

no irregularities with Hotspark's work, Tim should do nothing more than caution Roy on "potential conflicts of interest".

Percentage of votes agreeing: 18%

6. Tim should do nothing at the present time, but should keep a log of any future observed "meetings" between Roy and the subcontractor's representative, as well as keep close documentation of any unusual costs for any projects where Hotspark is used as a subcontractor. Tim can then confront Roy with this evidence before either firing or transferring him to another location.

Percentage of votes agreeing: 4%

7. Tim should call Roy into his office and tell him that the perception is that Roy has a "special" relationship with one of the subcontractors, which, while not against explicit company policy, nonetheless could attract the attention of the president of Global. Tim should also mention that the president takes a personal interest in conflict of interest situations, especially where preferential treatment of a subcontractor may result in loss of profit to Global. Tim should also tell Roy that he is a valued employee of Global and a situation like this, if not handled properly, could impact his future with Global if it became public knowledge.

Percentage of votes agreeing: 18%

8. Tim should talk with Roy and explain that while perhaps nothing unusual is taking place, there is a perception of impropriety. This perception will have a damaging effect on Global's reputation as a general contractor. He should also suggest that Roy spend an equal amount of time with representatives of other electrical subcontractors who work with Global. Hopefully Roy will appreciate the concern and take appropriate action.

Percentage of votes agreeing: 12%

9. Tim should get to know the young woman's personality and character by taking her out to lunch. In this way, he can more accurately assess her motives and capabilities in her interactions with Roy.

Percentage of votes agreeing: 0%

10. Tim should seek out his own personal relationship with the young woman from Hotspark.

Percentage of votes agreeing: 8%

### **Forum Comments from Respondents**

1. Additional possibilities for Tim to consider:  
What has been the degree of ethical conduct by Roy in the past? Would his ethical principles override lust?

The relationship could be harmless despite appearances..but considering human nature it could be real.

Can Tim act on suspicions alone? There is a risk that his hunch may be wrong.

If Tim reassigns Roy or fires him, what would be the consequences to Tim's career? What would be the consequences to the company?

What are the motives of the young woman?

2. I once had a somewhat similar case in my office and it was nearly a no-win situation. Denial is always the first thing you hear. Next the defenders go on the offense and try to attack your own credibility. It's best to proceed very cautiously and try to maintain a good relationship with both parties, yet be firm in your position that this sort of behavior just can't continue.
3. Tim should find an explicit company policy on the issue. If there is none, then Tim should caution Roy about a perceived preferential treatment relationship. Because Tim is seeking higher managerial positions, he should handle the issue himself to prove his managerial capabilities. He should then consult his supervisor to be sure he has acted appropriately.
4. Tim needs to sit down with Roy. He must keep in mind that Roy is probably aware of his ethical responsibilities to the company. Tim must explain that he is knowledgeable about Roy's abilities and they are well earned. But no one is without fault. He should explain to Roy that his personal life is just that – his personal life – until it becomes unethical. He should also let Roy know that additional attention will be about the activities of the company the young woman works for to insure that no irregularities are occurring.
5. Tim should follow Roy and the young woman, take pictures of their encounters, and then suggest that Roy end the relationship, or things could get ugly. Tim should let Roy view the pictures so he knows that Tim means business. [editor's comment: hmmm??!]
6. A point to consider: In the corporate world, especially when viewed through the public eye, the appearance of impropriety is just as damaging to the reputation of that company or employee as the act itself. So even if no preferential treatment is occurring as a result of the relationship, it is nonetheless damaging to the company and its reputation with other subcontractors and the public. Based on that, the managerial staff and president have a right to be informed of the situation.