

Between a Buck and a Hired Place (Case 1029)

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The Case:

Clayton is the Director of Public Works in Springfield, a medium-sized rural town with a stable population. A licensed engineer, he has held this position for fifteen years and is highly regarded by his peers and well-liked by those he supervises.

Besides Clayton, the other full time employees in the Public Works department include the City Engineer/ Deputy Director for Public Works, plus two assistant engineers, a special projects coordinator, a survey crew, three inspectors, and an executive secretary, Eleanor. All employees are on the city merit system. Eleanor is 55 years old and has worked in the Public Works department in Springfield for 35 years. Earlier directors have seen her as indispensable, and she has worked more as an office manager or administrative assistant than as a clerical worker.

In the last five years, however, things have not gone well for Eleanor. A series of family tragedies has left her feeling beaten down. Her husband had a stroke one year ago and is now an invalid. She and her husband have no children, and it is only her salary and health insurance that keep him from a lower quality nursing care home. Eleanor herself suffers from poor health, and now has only a fraction of the energy she used to have, this due to the strain of looking after her husband every day, as well as keeping up their house by herself.

Clayton is sympathetic to the problems that Eleanor is having. He is aware of the contributions she made to the Public Works department in the past. For years, he believes, she was underpaid. Her actual worth to the department was much greater than any rating she could have received in the old sex-biased system. Because of her poor health and other problems, however, it is now questionable whether she minimally achieves what is technically required in her position as an executive secretary (her present merit position).

Considering these things, Clayton has kept Eleanor on the payroll but six months ago hired another secretary, Pauline, part-time for 30 hours per week, to compensate. Eleanor now spends more of her time as a receptionist than as an executive secretary. While Pauline has expressed no resentment to anyone, she does notice she is doing all the work while Eleanor is getting executive secretary pay for doing essentially nothing.

To further complicate matters, one of the largest employers in the region recently shut its doors, going off the tax rolls and cutting about 8 percent of the local jobs in

Springfield. The ripple effect is projected to reduce next year's tax revenue by 15 percent and the Springfield City Council has demanded that the City Manager make the budget balance.

The ambitious new City Engineer/ Deputy Director for Public Works, Allan, who just completed an executive MBA program and has his sights set on a high-profile public works career in the nearby state capitol, meets monthly with Clayton to discuss project issues and department business. At this month's meeting, Allan informs Clayton that he thinks Eleanor is rated too high for the work she presently does and that the Public Works department is not getting its money's worth out of her. In light of budgetary needs that the department has, Allan proposes letting Eleanor go. There are measurable skills and reasonable expectations that she no longer demonstrates competence in.

Clayton agrees that logically, the merit system, and the good of the Public Works department, seem to dictate such a decision. He feels, however, that the department owes Eleanor some help in her more troubled times, at least until she is eligible to collect her pension. The civil service regulations don't give Clayton much flexibility. He can keep Eleanor on in her present position, or let her go with minimal benefits. What should he do?

Note:

This case is based on "Compassion Case: For Loyal Service—A Humane Resource" by the Public Administration at the University of Arkansas, revised 7/19/96, and is used with permission.

Alternate Approaches and Survey Results for "Between a Buck and a Hired Place" (Case 1029)

1. Let Eleanor go, immediately. Clayton's course of action is clear and he must not be squeamish about it. He has a fiduciary responsibility to the citizens of Springfield that requires him to terminate Eleanor if her performance is sub-standard and counseling is ineffective. Harsh as it may seem, the rules clearly direct Clayton to concern himself with Eleanor's *performance*. Her personal problems are not within his purview as director to act on.

Percentage of votes agreeing: 3%

2. Let Eleanor go, soon. Clayton should take Allan's advice and let Eleanor go with her earned benefits, being sure that he first takes time to carefully document her case so it cannot be construed as age discrimination. He should delegate to Allan and Pauline the task of compiling the necessary documentation. Harsh as it may seem, this is not the welfare department.

Percentage of votes agreeing: 3%

3. Let Eleanor go, unless... Clayton should talk with Eleanor, explain the negative impact her performance is having on the Department, and give her a six-month probationary period in which to improve her performance. The cold

facts are that everyone must pull his/her own weight or leave. If Eleanor does not improve enough to warrant her current position and salary, Clayton must let Eleanor go.

Percentage of votes agreeing: 25%

4. Keep Eleanor on, as is. Eleanor's loyalty must be rewarded, and Clayton must not be stingy about it. Eleanor is so well-liked and has performed so well in the past that Clayton can justifiably overlook her present shortcomings, for years if necessary. There are more than enough people in the office, Allan and Pauline in particular, to help Eleanor in her time of need.

Percentage of votes agreeing: 3%

5. Keep Eleanor on, but seek help from the City. Clayton should retain Eleanor in the department at her current position and salary and arrange for appropriate counseling. Most likely Springfield has a qualified psychological consultant available through their Human Resources Department who can seek out available sources of external support for Eleanor in caring for her husband and the costs associated with that care.

Percentage of votes agreeing: 21%

6. Keep Eleanor on, but seek help from Pauline. Eleanor should remain on the payroll in her current position and salary, but Clayton should continue to incrementally transfer Eleanor's responsibilities to Pauline. He should let Pauline know that she will assume Eleanor's job (and salary) upon Eleanor's retirement.

Percentage of votes agreeing: 11%

7. Demote Eleanor. Clayton should keep Eleanor on the payroll till age 62, but explain that she will have to take a step-down in position to receptionist and cannot remain as an executive secretary. While this will mean a reduction in pay, it is better than nothing and will supplement her health insurance coverage until she becomes eligible for Medicare.

Percentage of votes agreeing: 20%

8. Transfer Eleanor. Clayton should ask the civil service group to find a job for Eleanor in another department that is less demanding and is more compatible with her age and work abilities, albeit at lower pay. This will take some of the pressure off Eleanor, and relieve the Public Works Department of an unnecessary burden.

Percentage of votes agreeing: 9%

9. Reprimand Allan. Clayton should inform Allan that the Public Works Department would likely not exist to provide the opportunities Allan now enjoys were it not for many past years of selfless service by persons such as Eleanor. Clayton should remind Allan of the importance of loyalty, and require that he

take sensitivity training. Further evidence of not being a team player on Allan's part would be grounds for his dismissal.

Percentage of votes agreeing: 4%

10. Hide and Watch. Clayton is partly, maybe mostly, responsible for much of Eleanor's predicament since for the past 15 years, as Director, if he believed Eleanor was underpaid, he had methods of advancing her salary that he chose not to use. In the name of cutting "waste" out of government, for which he happily took full credit, Clayton watched Eleanor give 110% at menial pay, in effect mortgaging her health, motivation, spirit and effectiveness for the sake of the Department. Clayton's true motive, then and now, has been self-promotion; Clayton realizes that to comfortably reach his own retirement he must keep the City Manager happy. Citing his favorite line from *Casablanca*, "This is the beginning of a beautiful friendship", Clayton should quietly direct Allan to deal with the situation (Eleanor) as he (Allan) has proposed.

Percentage of votes agreeing: 1%

Forum Comments from Respondents

1. Demote Eleanor. Clayton should keep Eleanor on the payroll till age 62, but explain that she will have to take a step-down in position to receptionist and cannot remain as an executive secretary. While this will mean a reduction in pay, it is better than nothing and will supplement her health insurance coverage until she becomes eligible for Medicare. Most likely Springfield has a qualified psychological consultant available through their Human Resources Department who can seek out available sources of external support for Eleanor in caring for her husband and the costs associated with that care.
2. Promote Eleanor, give her a raise, and have her coach Pauline to learn the extensive roles of their position.
3. Besides the other two chosen paths, there are some possibilities that Clayton seems to neglect. While it is true that Eleanor may be overpaid for her current job performance, is it possible that the budget may be cut in other ways, maybe not necessarily in its employees but in its expenditures? Also, if Clayton does come to the conclusion that he must fix the Eleanor situation, one very key thing he will have to do is talk to Eleanor about her current job performance and the financial situation of the department. Clayton needs to inform her of his options as her employer and communicate why this is a difficult decision for him. Pauline may eventually take Eleanor's position and salary when Eleanor retires or maybe even makes her own request for demotion, leaving, or otherwise. But clearly, out of respect for Eleanor, she needs to be informed of the situation and possible outcomes.
4. Eleanor should be given an early retirement package which saves the city from a great deal of legal grievances. She will have the time she needs for her husband, and her position can easily be taken up by a more energetic and

lower-paid person. She would probably prefer to retire now than continue working. Logic is no longer what society operates by. Our society is emotionally and irrationally charged. Even with a good lawyer for the city, the juries of today would inevitably harshly penalize the city with an enormous lawsuit worth more than Eleanor's present wages for the next 2000 years. Early retirement plans are the best compromises in today's increasingly aging work force population.

5. Eleanor should be talked to, and put on probation for a 6 month period. During that time, Clayton should fully assess her performance. If she is unable to fulfill her job, she should be demoted, possibly to receptionist. She will still keep an income, and will be eligible for retirement.
6. Give Eleanor a probationary period in which to prove that she can earn her current pay. If after 4-6 months she proves that she is unable to earn the pay that she receives, she should be given an appropriate job (and pay) with the company for her skills and workload ability. She has been loyal to the company and should at least be allowed to be on the payroll until her retirement and pension kicks in if it is her choice to do so.
7. Keep Eleanor on but give her 6 months probation to improve or be demoted to Pauline's position. Explain to Eleanor that because of her past value she will not be let go but that at her current performance, she cannot retain her position and pay.
8. Dismiss Eleanor but give her a severance pay package that would roughly equal the difference between her actual salary and the salary she should have been receiving over the past 15 years.
9. Clayton should talk to Eleanor, and when he does, he should tell her that if her work does not improve in the next six months, that she will be demoted, but not fired.
10. Clayton should talk with Eleanor directly about the problem of her performance and what solutions might be available to help her personal situation. Eleanor is still a bright woman albeit burned out; and she probably knows she is not performing at a high level and that her work is being given to another person. Enlist Eleanor to become part of the solution. If she cannot improve within a reasonable time, provide a position meeting her current performance and at a reduced salary.
11. There is no evidence given to indicate that Eleanor has ever been counseled regarding her decline in performance and the impact her attendance is having on the department. Therefore, she must be counseled and given a chance to improve, Clayton should begin documentation and progressive discipline up to and including termination.

12. Eleanor should be informed of her negative effect on the department, given time to improve, and given the resources to improve. Given her long-term commitment to the Department, a substantial probationary period should be given, perhaps one month for every year worked, or 35 months. If you were to view this as a kind of severance pay (in the event that no improvement occurred), it certainly would not be out of line with the golden parachutes that executives routinely get. However to ensure a successful outcome, the social service support should be augmented with significant feedback every six months against a set of benchmarks, agreed on by both Clayton and Eleanor.

Comments from Board of Review Members

All managers/supervisors are confronted with this type of issue from time to time. Clayton, Director of Public Works, must be fair to Eleanor, but at the same time, he must meet his obligations to his employer, the City of Springfield. It is unfortunate that Eleanor was not properly compensated in the earlier days, if such be the case. But, that is history, and it is not appropriate to try to compensate after the fact. It may well be a bad reflection on the performance review procedures, and Clayton needs to reevaluate the process. Clayton has an ethical obligation to be fair with Eleanor. Her personal situation, however, should not be a factor in the decision reached. On the other hand, her prior service and contributions to the Public Works Department should be considered. Clayton also must be fair to the Department and its staff. It is not fair to the other staff members to compensate Eleanor for services not performed. It is assumed that the Department, or the City, has an established policy on a termination package. If the policy allows flexibility, then Clayton should be as liberal as the policy will permit. Eleanor should not receive any benefits that would not be given to some other person being terminated.