

Ethical Dilemma: Cash Sales

You and four others are the “bar team” in an upscale restaurant. Everyone works very well together—so well that you pool your tips and divide them equally at the end of each shift. Recently, management has voiced concerns about liquor costs being too high. You know that part of that is because the bartenders “pour heavy” when mixing drinks, but that doesn’t account for all of the costs. A couple of weeks ago you were working with Nathan and noticed that he didn’t seem to be ringing all of his cash sales into the cash register. It appeared that he was just putting the cash into the bar team tip box. The next day you talked with another team member Jamie about it and the two of you started paying more attention to what Nathan was doing. You have come to the conclusion that Nathan isn’t recording all of his cash sales, but you have no real proof.

Ethical Dilemma: Declining Sales

You are a salesperson for Visions Medical Equipment, a distributor of high-end CAT scan, MRI, ultrasound, x-ray, and mammography equipment. Lately, business has not been good and you have lost a number of customers to your largest competitor. Your boss has been on you about it and the declining sales have dramatically affected your commission checks. You have curtailed your spending, but your finances are starting to get really tight. You are barely able to make the minimum payments on your credit card bills and you are afraid that if your commission checks don’t start to rebound, you won’t be able to make your car and house payments. You don’t understand the loss of business; you are very good at your job and are selling the top-rated products in the industry. Lately, you have begun to suspect that your competitor’s salesperson is giving kickbacks to the hospital buyers. Recently, a buyer for your largest customer hinted that

Questions

1. What is the potential conflict?
2. What could be negotiated to resolve the situation and prevent future conflict?
3. Do you have any obligation to Nathan as a fellow member of the bar team?
4. Do you have an obligation to voice your suspicions to management?
5. What risks do you face if you do/do not speak up?
6. Based on your value system, what would you do?

he could help you secure a large order if there were “something in it” for him. If you land the order you will earn a very large commission. You have never done anything like this before, but you do have an expense account where you could bury the payoff and there would be little risk of getting caught. You are afraid that if you don’t do it, your company will lose the sale and you will lose the commission.

Questions

1. What are your options? What are the advantages and disadvantages of each option for you and your employer?
2. What risks do you face if you give the kickback?
3. What risks do you face if you speak up?
4. What is the risk of doing nothing?
5. What would you do in this situation?

Endnotes

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