

Introduction

ConnectCo is an outbound-call center in Toronto **that coordinates** the hiring, training, managing and scheduling of agents for **its current 8** clients. **Its primary client is Symbol Office Solution (Symbol), which, with its 3-year contract, represents 68% of ConnectCo's revenue. While reviewing Symbol's contract, ConnectCo's recently hired Manager of Planning and Reporting, Joe Davis, has discovered: 1) that his company's method of calculating credit has not been clearly stated, and 2) that it owes the sum of \$81,328.57 to Symbol after charging for call center staff who had never actually been hired.**

Joe Davis receives no definite answers when he attempts to clarify the issue, first with ConnectCo VP of Canadian Operations Charlie Gallagher (who is in direct contact with Symbol's VP of Direct Sales, Steve Puhl) and then with Chad MacDonald, VP and Relationship Manager of the Symbol account. Neither will explain the contract fully and both instruct him to "go with the lowest cost"; or, in other words, to manipulate account figures and maintain the status quo. Having been on the staff only one month, and with the only next higher-up supervisor he can get answers from being the President and CEO of ConnectCo, Davis does not know how to proceed.

Stakeholders

Joe Davis is **passionately dedicated to his job as a consultant and has a wealth of experience.** His **job at ConnectCo** is to ensure that **the company meets** the needs of clients. **Because of his position,** he was the first to notice the **inconsistencies associated with** the Symbol account. **It means a lot to him that he acquired this position, but failure to put** the financial disparities to rights will make him look incompetent, and he could be fired.

Charlie Gallagher, as **ConnectCo's** Vice President of Canadian Operations, **is in a position of leadership regarding** its values and ethics. **He negotiated the contract with Symbol, and fraternizes with Symbol's upper management. Gallagher withholds information from Davis and MacDonald, indicating his knowledge that certain terms of the contract are not being fulfilled.**

Chad MacDonald is Vice President and Relationship Manager for the Symbol account; **he reports to Gallagher. It is his responsibility to maintain** a decent relationship between ConnectCo and Symbol.

Steve Puhl **represents Symbol as its** Vice President of Direct Sales and **the person** in charge of the contract. **If the contract is not being fulfilled,** the quality of Symbol's customer service could decrease, **negatively affecting in turn its sales and revenue.**

Carole Lam, ConnectCo's President, needs to sustain healthy relationship with Symbol, as it is a major source of revenue. Also, because ConnectCo's future depends on proving that its success formula works, losing Symbol could mean losing the interest of potential new clients.

Frames of Reference

Joe Davis. Davis joined ConnectCo hoping to learn from his colleagues, mostly former Xerox staff with impressive sales-increase skills. Being recently engaged, he wants a stable job that requires little or no travel.

Charlie Gallagher. Gallagher's behaviour is arrogant and self-aggrandizing. He maintains power through distance, screening employee calls and avoiding discussion of the contract by not showing up to the meeting with Davis and MacDonald.

Chad MacDonald. By not pressing Gallagher for information, MacDonald is clearly avoiding 'rocking the boat'. That it is Gallagher rather than himself who socializes with the Symbol upper management indicates that he is comfortable with Gallagher being in control of what information comes in.

Steve Puhl. Puhl needs to ensure that Symbol receives the services of the number of IAEs agreed upon in its contract with ConnectCo. His reputation and/or his position could be damaged if he is not able to effectively deal with the ConnectCo issue.

Ethical Issues

1. Responsibility to fulfill commitment to client.

As a service-oriented business, ConnectCo's mandate is to hire, train, and manage Inside Account Executives (IAEs) to staff its call centers on behalf of its clients. ConnectCo's contract with Symbol specifies that a certain number of IAEs be fully trained and dedicated to Symbol. This did not happen as agreed upon in the contract, and Symbol has been paying for services it never received. Until ConnectCo repays the fees and hires the IAEs, it is not meeting its responsibility to Symbol.

2. Gallagher's business conduct is questionable.

Rather than resolve this issue openly and fairly, Gallagher's recommendation is to use a questionable method of accounting. His in-house conduct reflects an aversion to communicating with his staff, and he handicaps their efforts as a result. For example, he is vague about what his "low cost method" entails, which forces Davis to waste time fiddling with numbers. He refuses to accept responsibility failing to adhere to and communicate the contents of the contract once he signed it. His business practices are not only unethical in

themselves, but also set a low standard for his staff and, accordingly, for the company as a whole.

3. Honesty, trust, and integrity are ethical issues in this case.

Chad MacDonald goes along with Gallagher's band-aid solution and contravenes ethical business practices by recommending the "low cost solution" without attempting to gain any clear understanding of the situation. Both prefer to make a decision that seriously damages the company's integrity, even though on the surface it might appear that they are protecting the company from harm. Their conduct not only detracts from the level of trust they should be aiming for from their clients, but also destroys trust within ConnectCo; Carole Lam cannot trust her upper management team and Joe Davis cannot trust his colleagues. Further, Davis's personal integrity is threatened and he must find an ethical way to protect it and also retain his position.

4. The legality of recommended accounting methods is dubious.

Davis will be committing accounting fraud if, as instructed, he falsifies numbers to avoid paying Symbol the credit owed under the contract. He would be legally accountable if the fraud were exposed.

Alternatives

1. Make Carole Lam aware of the issue.

Davis can apprise Carole Lam of the situation, and show her documentation supporting his conclusions. As President, she has the authority to get the accounts straightened up, solve Symbol's problem, avoid both potential legal issues and loss of a primary client, and set a better tone for ConnectCo's corporate culture. If Davis does this, it will cause tension with Gallagher and MacDonald, with whom he will presumably continue to work. Also, there is some risk that Lam may share her VPs' dysfunctional attitudes and see Davis's actions as disloyal.

2. Try to resolve the issue without involving Chad MacDonald and Charlie Gallagher.

Davis could ease the relationship between ConnectCo and Symbol by contacting Steve Puhl directly. While this action might benefit Puhl, it has many drawbacks: it does not address the turnover issues surrounding IAEs; it alienates Gallagher and MacDonald, thus endangering Davis's position; it could lead to Puhl discovering ConnectCo's lack of corporate integrity, and; Davis would still need Lam's support in order to address the financial disparities. Also, since Davis only handles the reporting side of the company, he would be overstepping his authority.

3. Go with the “low cost” calculating method.

Gallagher, as Davis’s immediate supervisor, has requested that Davis go with his “low cost method” of calculating Symbol’s account, so taking this action would avert conflict between them. However, Davis would be committing an actionable offense, thereby putting himself at legal risk. Further, there would be no guarantee that this is a one-time situation and Davis could find that the job regularly demands lowering his standards; it is a slippery slope. This alternative does not address Symbol’s concerns about the turnover issue.

4. **Resign.**

By **simply** leaving ConnectCo, Davis no longer needs to deal with **its** resoundingly shaky ethical structure and poor **in-house communication**; **he also avoids** committing accounting fraud. **Davis needs to gauge ConnectCo’s potential for improvement, assess how he would benefit from the experience of dealing with these ethical issues, and weigh his conclusions against the prospect of seeking a new job after only one month at ConnectCo.**

Choice of Alternative

Alternative 1 is the best solution. Davis **should not compromise** his own morals and values **either by sidestepping Gallagher and MacDonald (Alternative 2) or by committing accounting fraud and risking legal action (Alternative 3). Unless and until he brings the President’s attention to the issue in the manner of Alternative 1, he cannot be certain that Gallagher’s and MacDonald’s behaviour reflects the company’s values; in all likelihood it does not, which means that once the dilemma is solved, Davis will want to continue working there and he will not have to turn to Alternative 4. Further, when Davis took the job, he made a commitment to do his best for his clients, and Lam is apparently the only person who can help him do that, with her authority to solve the problems related to the Symbol account. Alternative 1 allows Davis to fulfill his role while maintaining personal integrity, is conducive to keeping Symbol as a valued client, potentially resolves Symbol’s problem with ConnectCo, and gives Lam the opportunity to revitalize her company’s corporate culture.**