

AN ETHICAL DILEMMA*

Jared worked for Darwin Chemical Company (DCC) for four years. DCC is a multinational corporation with subsidiaries in eight countries. About six months ago Jared was offered a job as a plant manager for its Chinese subsidiary.

"We don't usually offer this opportunity to someone who has only been with the company for a few years," said Jonathan, Jared's supervisor. "But in the short time you've been with the firm, we feel you've shown a lot of management potential. We also see from your resume you spent a semester abroad in China as part of your MBA program. We believe this makes you a better fit than other candidates since you are more familiar with the culture." Jared saw this promotion as a stepping stone to a much higher position within the company. He agreed to the promotion and arrived in China a few months later.

Jared found the transition in dealing with another culture challenging, but rewarding. He especially appreciated his assistant manager Bojing, who helped him learn the ropes and communicate with the employees. DCC gave Jared free rein in running the plant. Its main measure of performance is the bottom line, and employees are well aware of this fact.

A few weeks ago Jared noticed something odd about the plant's waste disposal procedures of one of its more popular chemicals. Developing this particular chemical involves a complex process, and every liter of water used results in half a liter of chemical waste. Company procedures stated this waste had to be disposed of safely. The problem was the paperwork employees were required to submit and file with corporate detailing how they performed the procedure was missing. In fact, Jared could not find any records of any paperwork ever being filed.

Jared approached Bojing about the issue. "The paperwork is more of a formality," Bojing replied. "Nobody seems to follow up on it."

"That's beside the point," Jared said. "We need to have these systems in place to make sure we are disposing of waste properly."

After more questions, Bojing finally confessed that while they usually tried to dispose of the waste properly, in a time crunch the entire process took too long. This resulted in employees sometimes dumping the waste in the local river.

Jared was shocked. The local river was not large, and many of the rural villagers in the area used it for drinking water. "But this is a toxic chemical! How long has this been going on?"

"Several years now," Bojing stated. "However, the previous plant manager told us not to worry. He said when mixed with water the chemical byproduct loses its potency. You would need to consume a lot for it to be harmful."

Jared immediately took action. He ordered a halt to the operations to investigate the matter further. He called the employees of the plant together and stated that from then on they would be following all procedures for disposing of waste properly. He also reported the situation to his supervisor Jonathan back home and told him about the previous plant manager's knowledge and noncompliance with proper waste disposal.

When Jared called Jonathan, he detailed all of the changes he made and was planning to make. Jonathan congratulated him on detecting and immediately putting a stop to the improper disposal practices. Then Jared started to discuss how the company should report the situation to the Chinese authorities and discuss cleanup methods.

Jonathan was quiet for a while. "Look, Jared, you must understand that in China, water pollution and improper disposal of waste is more accepted than it is here. I'm not sure we should be worried about cleaning up the river, particularly as other companies in the area likely use the river to get rid of waste. We are not the only factory around there, after all."

"But Jonathan, people who use the river for drinking water might get sick," Jared replied.

"I don't know, Jared. A cleanup would cost millions of dollars, and we'd probably be cleaning up the mess of other factories in the area. Additionally, we would probably be given heavy fines since we're a foreign company. Besides, you said yourself people would have to consume a lot of this chemical waste before they got sick."

Jared hung up the phone, more confused than ever. He thought perhaps Jonathan was right. Maybe he was overreacting. However, later that day some reports he requested showed up. The reports stated that local fishing in the area had decreased dramatically in the

*This case is strictly hypothetical; any resemblance to real persons, companies, or situations is coincidental.