

# **Neil R. Luebke's Commentary on "Hospitality from a Vendor"**

Commentary On  
Hospitality from a Vendor

The main ethical question in this case is whether Paul should compromise his best professional judgment out of friendship for Duncan. The unpleasant situation in which Paul finds himself at the end of the case is the result of a series of decisions along the way which, when viewed in isolation, may seem harmless enough. Virtually no one who reads this case will think that Paul ought to rescue Duncan from the cut list, yet many readers will hold out hope for a solution that will preserve the friendship, put Paul's mind at ease, and calm Duncan's feelings of outrage. Unfortunately, given the scenario, there probably is no such utopian solution. Paul is in a type of conflict of interest situation, one which he could have avoided but did not. Indeed, he contributed in significant ways to its developing.

We can imagine alternative scenarios in which friendship might serve to compromise the carrying out of professional obligations. For instance, suppose Paul and Duncan are neighbors, that their wives meet frequently and their children play together. Suppose further that Duncan Mackey often loaned Paul Ledbetter tools and helped him with some of the tasks around the house, and that Duncan's wife often took Paul's children to school meetings or to the swimming pool because Paul's wife works part time. Suppose Duncan watches Paul's pets while Paul is on vacation, and suppose, what is even a more extreme case, that while Paul was on a vacation, a fire started in Paul's garage that Duncan quickly put out, saving much of Paul's property. Given events similar to the "Golfing" scenario, you could imagine the scenario ending with the friendship in total ruins, with the wives refusing to speak to each other, with the children forbidden to play with each other, with a high fence going up between their properties, and with guard dogs stationed on both sides.

But let us return to the original scenario in "Golfing." First, consider Duncan Mackey. Like any other vendor to Bluestone Ltd., Duncan would understandably be happy to develop and maintain close relationships with the people in Bluestone Ltd. We know

very little about Duncan's motives, but we do have some clues. We do know that betting on golf matches was not Paul's idea but clearly seems to be favored by Duncan. There is nothing in the scenario that suggests that Duncan is upset by his overall losses to Paul or that he regrets this relationship. (I have a friend who, when we were younger, bought me a Coke from a machine and refused to take my money in reimbursement. He said to me, "No, I want you to be in debt to me for life!" I later succeeded in paying him back; however, I will always be in his debt for this story.) Duncan seems to be aware that by losing he is putting Paul in his debt. In fact, Duncan's explosive words at the end suggest that he has made efforts, through getting him into Cherry Orchard Country Club and through losing money in golf, to create obligations on the part of Paul. We all know stories about playing golf with the boss and making sure we do not win. Given the details of our story then, it seems as if Duncan was cultivating Paul for selfish business purposes.

Should we therefore regard Paul Ledbetter as a poor victim who had little control over his fate? Hardly! First of all, Paul should have made an effort to establish a reputation among all the vendors for being a fair, impartial judge who was conscientious about his professional responsibilities and was in no way open to corruption. Duncan still might have volunteered to arrange a guest visit for Paul to the country club, but Paul should have made it clear that he is opposed to accepting much in the way of gifts from vendors. He does not want anyone inside or outside the company to have the opinion that he is open to the highest bidder. While it would have been very difficult for Paul, since he was an invited guest, to refuse to participate in the money pool for the golf matches, he could have avoided a reappearance. He might have replied to Duncan's remark that it is only fair that Bob and he get a rematch by saying, in a half-joking way, "Duncan, it might be even fairer for you and Bob if you'd line up a real duffer to play with Harvey next time. I appreciate the hospitality all of you have shown, but I really don't think I should impose upon you again." Further on down the line, if Paul is interested in joining Cherry Orchard Country Club and needs a member to support his application, it probably would not be wise for him to request support from Duncan. He has met Harvey and Bob, and there are possibly other persons in the country club who could support his nomination. As time goes on, he could have avoided playing golf for money against Duncan. He could have played with other members of the club as well.

Another part of the scenario deals with the meeting between Paul and the other two engineers to decide on the 20 percent cutback in vendors. Here a number of procedures might be followed. For instance, the engineers might decide to each rate all of the vendors, and those with the lowest combined rating would be eliminated. Or the engineers might decide to allow a person to abstain from rating a close friend. While this latter approach has some merit, it should not be used as a device for Paul to shift the "blame" to his co-workers when explaining the situation to Duncan. In fact, there is no reason why any confidences between the engineers concerning the selection should be broken. All Duncan is entitled to know is that the decision was made in a responsible manner by a group of engineers on the basis of a company policy. Duncan is not entitled to know the individual vote of each of the engineers, and to reveal it would be a disservice to Paul's colleagues.

Paul should remind himself that this is not the first time that company decisions have adversely affected friends. There may be cases in the past in which some friends have been laid off. There may be situations in which a friend has been passed over for a promotion. If Paul examines himself to determine why he feels such pangs of conscience concerning the rejection of Duncan, he may come to see that Duncan has been cultivating his feelings of obligation. If their friendship were purer, we might expect that Duncan, rather than retaliating with a display of outrage and claiming betrayal, would understand the unfortunate situation of choice the company placed Paul in, express his confidence that Paul had done the best he could in that situation, and reaffirmed his respect for him personally. Unfortunately it sometimes takes a case like this for one to find out who one's real friends are.