

# Neil R. Luebke's Commentary on "Using Company Resources"

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Using Company Resources

The main issue in "Borrowed Tools" is internal whistleblowing. As I see it, the nasty turn this case takes near the end is not so much a result of something that Michael did but, rather, a result of the actions of the contract procurement agent.

Let us first look at this situation from the point of view of the XYZ Corporation. Al House is certainly abusing XYZ's generous policy concerning the borrowing of company tools. Assuming these tools could not be used for any company project but are rather used only for his personal ends, if confronted by an officer of the corporation such as the Contract Procurement Agent, Al would have a great deal of difficulty in explaining his orders. We do not know how widespread in the corporation is the kind of abuse that Al engages in. Al himself seems to have little reluctance in allowing other people to know of his activities. Apparently Bob Deal, the contract salesman, knows about it. Al's confronting the other engineers he works with suggests that they are also in a position to know about his activities. The chief engineer of the unit and the contract procurement agent, however, seem not to know. We do not know the dollar value of Al's orders over the period of time, but we can assume that by now they probably total several hundred dollars. There is no doubt Al is using company resources for his own purposes -- in effect, stealing from the company -- and his actions are, accordingly, immoral and possibly illegal. Al's actions are similar in some ways to those of a bank teller who takes home a few bills from time to time to help his own financial assets or a salesman in a men's store who might take a shirt or a tie on occasion for his own wardrobe. Al, of course, does not keep the tools as his own; he merely "uses" them. In these latter two cases, it is difficult to imagine that, when the thieving party is confronted by the evidence, the person would insist on knowing what co-workers had "ratted" on him.

By contrast, no one in our story seems to focus on evidence. Michael had suspicions, and his suspicions seemed to be confirmed only by an overheard conversation. The

Contract Procurement Agent does not seem to respond with an investigation of the record but repeats the assertion to the chief engineer. The chief engineer does not investigate but simply confronts Al with this transmitted piece of testimony. As the message reaches Al, it has the distinct form of an accusation made by a co-worker rather than as a charge of wrongdoing made by a company officer.

This unfortunate handling of the problem seems to be symptomatic of a number of things that are unfortunate about the XYZ Corporation. For one thing, there do not seem to be appropriate personnel relationships or corporate "climate." Al and Michael do not get along; Michael has little confidence or trust in the chief engineer; both Al House and the contract salesman Bob Deal seem to think it is acceptable to steal from the company; both the contract procurement agent and the chief engineer seem to be more concerned with passing along an interesting story than in investigating the facts; and, finally, Michael, although he tells what he thinks is the truth, feels so insecure regarding his position in the company that he easily lies.

Although the immediate issue in this case is internal whistleblowing, the larger issue is about the corporate climate, communications, and policies involved. Let us consider alternative actions at some of the junctures in this story. The first juncture is when Michael's suspicions regarding Al House's activities are, at least in his own mind, confirmed by overhearing the conversation. What should he do now? Were he to confront Al, Al would probably claim that the tools were going to be used on some future project even if they did not have an immediate use, or else he might say, "Michael, you don't know what you're talking about!" Before Michael goes any further, he should make sure that Al House is ordering tools for which there is not, nor will be, any use within the company. In other words, Michael needs more than just his own impressions. Even though Michael seems to think the chief engineer is not a person of trust, he might very well be. Michael might, in some nonaccusatory manner, try to investigate concerning the type of order that Al was placing. He need not start out by naming Al; rather, he might ask the chief engineer whether ordering such and such a tool would be appropriate for the activities of their unit. In addition, there are other persons Michael might talk to for guidance, either his fellow workers or one of the officers of the local engineering society.

Let us suppose through one route or another Michael does come to talk with the contract procurement agent. By the time he discusses the matter with the agent, he ought to have more than a set of suspicions to back up his serious accusations. Since the contract procurement agent has access to records that perhaps Michael

does not, the agent should investigate those records to find out whether the kind of abuse that Michael is describing has actually taken place over a period of time. The Contract Procurement Agent could then meet with the chief engineer to go over the record of tool orders. There is no reason for the contract procurement agent to reveal that Michael or anyone else talked to him about a specific individual. The agent's job is not to convey an accusation but to see whether abuses have taken place. If, as a matter of record, it can be shown that abuse has taken place and that Al House has been the principal party bringing about the abuse, then the job falls to the chief engineer to decide what to do regarding Al. At this point, the chief engineer is not merely passing along a suspicion by some fellow worker; the chief engineer is confronting Al with what seems to be a violation of company policy. Unless this task is undertaken by some other administrator, it is the chief engineer's responsibility to present Al with his alternatives. Al could claim innocence and want to have protection to show that he was innocent. Or, even if Al did the abusive acts, company policy might permit him to get off with restitution of costs plus a letter of reprimand in his file. At worst, Al might be threatened with legal action and with termination.

Finally, let us suppose the scenario goes as it does to the point of Michael being confronted by Al's charge of having ratted on him. As intimidating as Al probably is, Michael could take the offensive, responding to Al's charge of having ratted on him with a line such as, "Well, Al, did you do it? Did you order the tools for your own use?" If Al protests strongly that he did not, Michael may at this point wish that he had developed a better-substantiated case. Or Al could say, "Well, yes, of course I did, but everybody does it!" Michael could then respond, "That doesn't make it right, Al!" And he could continue with something like the following: "Look, Al, at this point it doesn't make any difference who or what led the company to find out what you're doing. As I see it, you're in serious trouble! If I were you, I wouldn't waste your time talking to us. You probably ought to talk to the chief engineer or someone else in the company to find out how to save your job!"

More than anything else, this case illustrates the need for companies to be concerned with relationships among their people and with the effect of corporate policies and actions on the loyalty of those employees. If the company had an ombudsman or a clearer policy regarding internal whistleblowing, Michael might not have gone forward in such a disorganized and later fearful manner. If there had been more concern on the part of company officials with the facts rather than the

personality gossip, the story might have proceeded in a better fashion.

One final comment is in order. As a number of writers have asserted [for example, Richard DeGeorge in *Business Ethics* (New York: Macmillan, 3rd ed., 1990), pp. 212-213; or Ronald Duska in Desjardins and McCall, *Contemporary Issues in Business Ethics* (Belmont, California: Wadsworth, 2nd ed., 1990), p. 146], we are not usually required to be self-sacrificial moral heroes in whistleblowing cases. Richard DeGeorge claims that one necessary condition for whistleblowing to be morally obligatory, rather than merely morally permissible, is a good reason to believe the act of whistleblowing will result in appropriate and successful corrective action. There is little in "Borrowed Tools" to confirm this condition.