

Joseph Ellin's Commentary on "Requested to Falsify Data"

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Requested to Falsify Data

I

Stephanie Simon is asked to 'rework those numbers' so that the environmental report no longer indicates an excessive chemical spill. Reworking numbers to fit management's pleasure is dishonest, wrong and should never be done. There is no ethical problem about this; the problem is a personal one for Stephanie since presumably her career is at risk. The problem may seem complicated because manager Adam Baines thinks the regulations are excessive and the company's spill is trivial, which could very well be the case (Stephanie may even agree with this assessment); nevertheless falsification of the report is not the way to handle the problem.

So what Stephanie should do is patiently explain to manager Adam why it would be wrong for her to falsify her data. Ultimately, her line must be that if he wants different data, he can provide it himself; let him write his own report. There's no need to indicate on the report why Stephanie didn't write it! Her course is to politely but firmly refuse, stating her reasonable grounds: it is a violation of ethics codes, it's legally risky, it compromises her credibility, it undermines public respect for engineers and for XYZ company. This refusal puts the ball in Adam's court; what move Stephanie will make next would depend on how Adam handles the situation. (Does he try to fire her for insubordination? Does he do nothing immediately, only to begin a campaign of harassment against her later? Does he refuse to recommend her for promotion? Each of these possibilities raises different problems. On the other hand, maybe he'll respect her integrity).

II

Unfortunately her way of handling the situation is confrontational and indeed apocalyptic. She quits! Is she really resigning because of this one incident? If so, she demonstrates in stable temperament at worst and bad judgment at best, so perhaps the incident may have served a useful purpose in provoking her departure. (Maybe manager Adam deliberately causes such incidents to see how his subordinates will react?)

As for her threat to send Adam's upstairs, this threat of course amounts to blackmail. Adam may have to face up to his own indiscretion in order to get out from under Stephanie's threats; otherwise she may find other opportunities to use it against him. So maybe he'd better write up the incident, admit what prompted her resignation, and send it upstairs himself. Presumably he'll learn not to ask subordinates to do something illegal and unethical.

III

There's no special problem here. Bruce, Stephanie's successor, is creating problems for himself by volunteering to alter the data. If 'rounding off' is within acceptable engineering practice, so that the state agency receiving the report may be expected to understand that figures might be rounded off, then Bruce is within his rights to round off, and might as well do so in a way that does save the company grief. (A note could be added to the report indicating that figures have been rounded off to nearest hundred, or whatever). If 'rounding off' is a grey area--no consensus on whether it's acceptable or not--then Bruce ought to follow company policy as presumably stated by manager Adam. To clarify that rounding off is company policy, Bruce might first ask Adam how he wants the numbers handled. But if rounding off is prohibited, Bruce can't do it.

IV

To evaluate from different points of view:

1. Presumably the state agency wants correct figures, and would regard Adam's demands as unacceptable and possibly illegal; the agency thus might consider legal action against XYZ company.
2. Does the CEO of XYZ share Adam's views about over-regulation? Probably he does; he therefore conforms to regulations in order to avoid legal problems and for reasons of image. There are costs which XYZ must bear, but finding out how to pay costs associated with regulation is part of the CEO's job. At the same time, if he thinks the regulations are excessively burdensome or environmentally unnecessary, the CEO has means of trying to get them changed, which he is undoubtedly pursuing. However skirting the regulations by falsifying data isn't among the CEO's options.
3. If the attorneys haven't told CEO officials to obey the law, they ought to.
4. It's not clear why other industries have any different problems from XYZ, or would have a different point of view. They may all be unhappy with the regulations, but they all share an equal interest in obeying them, while trying to change them via accepted channels.
5. That someone's health may be adversely affected seems to beg the question against Adam, who presumably thinks that the regulations are not necessary to protect anybody's health. We'd want to know more about what's behind Adam's views; he could be wrong in thinking that the industry is over-regulated. As for other employees, if Adam doesn't think the regulations are necessary, maybe the other employees at XYZ don't think so either. Since they have no responsibility for managing XYZ, they are in a good position to favor evasion of the regulations, which cost the company money and thus endanger profits and jobs. Of course someone could take the view that since the regulations are put into effect by a state agency, they must be necessary. Perhaps this is the view of some of the employees at XYZ. Obviously these employees will want the regulations obeyed, at least up to the point where their own jobs are threatened.

This question refers to "responsibly handle environmental problems." However the case doesn't raise this broad issue, but only the question of false reporting of marginal data. There is no challenge to Adam's statement that XYZ does a terrific job, environment-wise. Obeying regulations characterized as difficult to interpret and so on, should not be equated with being responsible. Nonetheless the community is likely to think so, because of the adverse publicity that attends revelations that certain companies violated regulations. What the community's real environmental

interests are, is a question not within the scope of this case.

Should the actors take into account how the community is likely to react to revelations of data falsifying? Certainly; the reaction will be adverse and against the interests of XYZ. If the fact that it's wrong isn't enough reason not to do it, then this reason might be sufficient. However lower-level employees might be excused for not considering the wider interests of the company, or even of the community. They ought to be honest and obey the law, for ethical reasons. They are entitled to their opinions about other matters, but aren't necessarily required to incorporate these opinions into their actions.