

The One-Cent Ethical Dilemma

Rajah majored in business administration and marketing at college, and looked forward to a career in retail management. While attending community college, he worked an average of 30 hours per week at retail stores, thereby taking him an additional year and one half to attain his degree. Still only 23 years old, Rajah received a job offer as the manager of a branch of a discount general store. He thought this would be a fine opportunity to begin his career in retail management. Although the store was referred to as a dollar store, the prices of individual merchandise ran as high as \$30.

About three months into the job, his regional manager Lauren explained that cashiers were from here on not to give customers back change of only one cent. For example, if a customer's bill were \$2.99 and he gave the cashier a \$5.00 bill, the cashier was supposed to give the customer change of \$2.00 and smile at the same time. Yet if the customer demanded the penny in change, the cashier should grant the request.

Rajah asked Lauren, "Why should our store do something that nasty? It's like stealing pennies from customers."

Case Questions

1. What actions do you recommend Rajah take about his concerns with respect to the new one-cent-in-change policy?
2. Explain whether you think Rajah should blow the whistle on his employer?
3. What is your opinion of the ethics of the new policy about withholding one-cent in change?

Lauren replied, "We have approximately 1,200 stores across the country, and all our stores are busy. Few customers care about one penny, but if we add up all those pennies, the company's profit for the years has a nice bump up."

Rajah was not happy with the new policy, but agreed to go ahead and encourage his cashiers to withhold the penny change unless a customer objected. Yet after a week, this new policy began to disturb Rajah. He felt he was forcing his cashiers into unethical if not illegal behavior. He did not want to lose his job by complaining about or not complying with company policy.