



What Customers Don't Know Won't Hurt Them, or Will It?

Sitting at her desk at the car rental shop where she worked, Elena couldn't believe what she was hearing. Gripping the phone tightly, Elena listened as the head manager of the company's legal department told her that a car that she had recently rented to a customer had blown a tire while the customer was driving on a nearby highway. Although the customer, Jim Reynolds, tried to maintain control of the vehicle, he crashed into another car, seriously injuring himself and the other driver. Apparently, the tire had noticeable structural damage that caused it to blow. Elena sat at her desk in shock as the legal department manager asked whether she was aware of the tire's condition before renting the car to Mr. Reynolds.

"I... I'm sorry, what did you say?" asked Elena.

"I asked whether you were aware that the tire was damaged before renting the car to Mr. Reynolds," repeated the manager.

Elena paused, thinking back to when she had rented the car to Mr. Reynolds. Unfortunately, she knew the answer to the manager's question, but she did not know whether she wanted to answer it. Her mind raced with worried thoughts about how she wanted to answer it. Her mind raced with worried thoughts about how she let herself get into this position, and then she remembered when her supervisor first told her to lie to a customer.

Elena had started working for the rental car company 2 years ago. Fresh out of college, she was intrigued by the possibilities of joining a company and moving up the ranks into management. She worked hard, sometimes putting in 50 or more hours a week. And she was good at her job, too. Customers would frequently tell her supervisor of Elena's great service and courtesy. Within no time, the supervisor began telling her that she was a strong candidate for management and would probably be running her own rental office within the next year.

Intrigued with becoming a manager, Elena began to work even harder. She was the first one at the office each morning and the last one to leave. Things were going well, until one particularly busy day, when the rental office had more business than it



could handle. The office typically had a few vehicles left for walk-in customers, but on this day the lot was empty except for one SUV, which a couple had reserved for their vacation. The couple's reservation was for 1pm, and it was now 12 noon. Proactive as usual, Elena decided to go desk, the door to the rental office flew open, and a man rushed toward the counter.

"Do you have anything to rent?" he quickly asked. "I don't have a reservation, but I really need a car right now for the rest of the week."

Elena apologized and explained that the only vehicle they had at the moment was reserved, but that he could wait at the office until another car was returned. In fact, she said, they expected to have two vehicles returned around 3pm.

"That's not good enough," the man replied, "I need a car now."

"Again, I do apologize sir, but it wouldn't be fair to hose with a reservation to rent the only car that is available," said Elena.

With a frown, the man turned to leave. As he did, Elena's supervisor, who had been listening to the conversation, chimed in. "So you really need a car, huh?" he asked the man.

The man whirled around. "Yes, I do."

"I'll rent it to you for \$150 a day," said Elena's supervisor. One hundred and fifty dollars a day was much more than the rental company's usual fee.

The man paused for a moment and then said, "Fine, I'll take it."

As he left with the only vehicle left on the lot, a stunned Elena asked her supervisor why he had rented the SUV when he knew that it was reserved—and at such a high price.

"That guy would have paid anything, and he ended up paying twice as much as we would have gotten out of it," her supervisor said, laughing. Look, if you're going to be a manager, you need to know how to make money. Always take the best deal you can get."

"Even if it means losing another customer?" Elena asked. "What are we going to tell the couple who had a reservation for the SUV?"

"You're going to tell them that it broke down unexpectedly and it's at the shop. If you want to be a manager, starts acting like one."



Soon after the couple with the reservation walked into the rental office. Elena didn't want to lie to them, but she also didn't want to jeopardize her chances of obtaining a management position. She also figured that the couple would be more understanding if she told them that she SUV had broken down than if she told them that she had rented it to another customer. So, Elena followed her manager's advice and lied to the couple.

In the months that followed, Elena encountered several more instances where her supervisor asked her to lie to customers because her office had reserved too many vehicles. Pretty soon, it became second nature, as she found herself lying to customers without pressure from her supervisor. To date, however, her lies hadn't caused any serious harm to anyone, at least as far as she knew. That track record changed, however, the day Jim Reynolds rented car from her.

The day was routine in that the rental office was very busy. There were only two vehicles on the lot—a compact car and a new luxury sedan. Mr. Reynolds had reserved the less expensive compact car. However, when checking the car over before Mr. Reynolds arrived, Elena noticed a large lump on the outside well of the passenger side front tire. From her training, she knew that this lump could be dangerous. But Elena also knew that she would have to give Mr. Reynolds the luxury sedan for the same price as the compact car if she decided not to rent him the compact car. She thought about what her supervisor had told her and knew that he probably would be upset if she didn't get a high rate out of their new luxury sedan. Besides, she reasoned, the car will be fine and Mr. Reynolds would have it for only a day. So, Elena went through the routine. With a smile and a handshake, she rented the compact car to Mr. Reynolds, who didn't notice the tire because it was on the passenger side and Elena didn't walk Mr. Reynolds around the car—a routine practice at the rental company.

Fast—forward one day and Elena's world had completely changed. Now, Elena was on the phone with the manager of the company's legal department, wondering how she ever thought it would be safe to rent the car to Mr. Reynolds. She could admit that she knew about the tire and decided to rent the car anyway, or she could lie and say that the tire looked fine when she rented the car. If she told the truth, becoming a manager would probably be out of the question, at least for a long while. Anger welled up inside her. She had worked hard to get where she was. She regretted not having told her supervisor that she wasn't going to lie to customers, even if it meant getting a better rate. But that moment had passed. She could tell the legal department manager



that her supervisor had told her to lie to customers, but she knew that her manager would deny it. Either way, the options weren't too appealing.

"Hello?... hello?" asked the legal department manager.

Elena returned to the conversation. "Sorry, I lost you for a moment," she said, "Yeah... about Mr. Reynolds..."

Questions for Discussion

- Using concepts from reinforcement theory, explain why Elena might be motivated to lie to customers. With reinforcement theory in mind, do you think that Elena will confess to the legal representative? Why or why not?
- How might the rental office's climate influence Elena's behavior? What factors contribute to the current climate? What steps could you take to improve the ethics at this office?
- Do you blame Elena for her behavior or do you attribute her behavior to external factors? How do concepts from attribution theory fit in?
- Consider Elena's personality. Would you predict that escalation of commitment will occur (and she will lie to the legal representative), or will she decide to come clean? Explain your answer.
- Do you think Elena would make a good leader some day? Why or why not? What factors might this depend on?
- What emotions might Elena be experiencing? How might Elena's emotions affect her decision to tell the legal department manager about the incident with Mr. Reynolds?