



George thought of himself as bright, energetic, and full of potential. “So why is this happening to me?” he thought. George, with his wife, Mary, and his two young children, had moved to Hondo, Texas from El Paso four years earlier and was now the manager of an apple juice plant for Beech-Nut, the second-largest maker of baby foods. George thought of this as a great move, both for his career and his family. The plant employs several hundred workers and is a substantial portion of the population of Hondo. George also had a good relationship with Bill Bailiff, his boss, in Austin, TX. His family quickly established roots, joining various social groups and getting to know and form relationships with people within the community. Things seemed to be going well at Beech-Nut as a whole, the local plant, and for George.

However, a few months ago, George got a call from Bill stating that Beech-Nut was in grave financial trouble. Threatened with bankruptcy if it could not lower its operating costs, Bill informed George that his apple juice plant now had an agreement with a new, lower-cost supplier for its apple juice concentrate. The agreement would save the company 25% (over \$100,000) annually from George’s plant alone, and similar contracts were being initiated in other Beech-Nut plants.

Beech-Nut markets the product as 100 percent apple juice. However, one of the scientists at George’s plant recently became concerned about the quality of the new concentrate they are now using in the apple juice. She ran some tests and discovered that it is actually made from beet sugar, cane sugar syrup, corn syrup and other ingredients, with little if any apple juice in the mixture. She brought this to George’s attention, who immediately raised the concern with Bill.

To George’s surprise, it seems Bill already knows about the bogus apple juice concentrate. Not only that, Bill’s message to George seems quite clear: either keep producing apple juice using the new concentrate or Beech-Nut will close the plant. George has knots in his stomach thinking about the ramifications of his looming decision.