RALPH DOES IT AGAIN
(A Disciplinary Case)

The manager of the Upcreek Grain and Feed Company, Mr. Bill Brown, is both experienced and talented in dealing with people. He is not one to be unduly upset by an employee problem and is sensitive to the important factors in human situations. His current problem is with Ralph Hampton and he has had to deal with Hampton on previous occasions. In fact, Hampton's problem seems to be a continuing one which comes up periodically.

About seven years ago Ralph Hampton came to work for the company as a field salesman. He was put on salary plus commission. He is usually a pleasant outgoing type of person who is well liked by the customers he serves. His record of collections is excellent, even though his methods of high pressuring those with delinquent accounts can be somewhat objectionable. He makes the collections, however, to assure his continued income.

The manager, Bill Brown, once read in a book that sudden changes in behavior are an indication of personality disturbance. In the past he has noticed that Ralph Hampton has changed his behavior pattern on two occasions. In both instances Bill had to deal with Ralph on serious personal matters.

At such times Ralph would become sullen and sarcastic. He would complain about his job, the company, and his working conditions. His accounts receivable would go up and his sales would go down. He seemed to be bitter about everyone and everything.

The first time that Ralph went into an emotional tailspin was when his wife quit working to give birth to their first child. Ralph soon learned that two can't live as cheaply as one and three costs even more. He and his wife had been living in rather modest circumstances however, so when Bill put him on straight commission and the company helped him buy a new truck, his problems seemed to fade away. He reverted to his usually jolly self and Bill turned his attention to other matters.

Two years later, Bill noted the same personality symptoms that had affected Ralph when his wife had quit working. He knew that Ralph's wife had been working for many months and concluded that some other problem must be affecting Ralph's behavior. Bill knew that he would have to bring up the subject with Ralph. Ralph was not one to come out into the open with his troubles.

After talking with Ralph it became apparent that the problem was again tied in with his financial status. Ralph had traded in his truck on a newer model and while he was buying he bought himself a new auto. The monthly payments were more than he could handle. He began to brood and decided that one way to forget the whole deal would be to go on a hunting trip. He bought some new gear and supplies and set off with some old cronies to hunt deer. When he came home he found not only the delinquent auto payments, but the bills connected with his hunting trip.
While Bill felt that many of Ralph's problems were personal, he also felt that they affected Ralph's job so much that something must be done. He persuaded Ralph to consolidate his debts and thereby reduce the number of monthly payments and spread his total debt over a longer period of time. The Board of Directors approved increasing Ralph's commission substantially.

Bill told the Board that he now felt that Ralph was back on the track. He said that Ralph's attitude had completely changed and that his sales were increasing.

Ralph felt so comfortable with his new economic situation that he began to talk to architects about building him a new ranch type house. He bought some land from his father-in-law, at an extremely low price, contracted for the construction of the house, and had a well drilled. All of this house planning and construction took about a year. Bill was keeping his eye on the situation and wasn't at all surprised when Ralph's attitude turned from excellent to poor.

In discussing the situation with Ralph it was learned that the architect charged him an excessive fee, that the contractor charged him for many extras that weren't in the original plan, and that the well drillers had to drill ninety feet before they struck water—45 more feet than had been estimated. Ralph had never been so deeply in debt before, with sales slipping and earnings dropping, and accounts receivable going up.

What should the Manager do?