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Robert Hall Clothes, Inc., owns a chain of retail stores that specializes in clothing for the family.¹ One of the chain's stores is located in Wilmington, Delaware. The Robert Hall store in Wilmington has a department for men's and boys' clothing and another department for women's and girl's clothing. The departments are physically separated and are staffed by different personnel: Only men are allowed to work in the men's department and only women in the women's department. The personnel of the store were sexually segregated because the store's managers felt that the frequent physical contact between clerks and customers would embarrass both and would inhibit sales unless they were of the same sex.

The clothing in the men's department is generally of a higher and more expensive quality than the clothing in the women's department. Competitive factors may account for this: There are fewer men's stores than women's stores. Because of these differences in merchandise, the store's profit margin on the men's clothing was higher than its margin on the women's clothing. As a result, the men's department consistently showed a larger dollar volume in gross sales and a greater gross profit, as is indicated in Table 2.2.

Because of the differences shown in Table 2.2, women personnel brought in lower sales and profits per hour. In fact, male salespersons brought in substantially more than the females did (Tables 2.3 and 2.4).

As a result of these differences in the income produced by the two departments, the management of Robert Hall paid their male salespersons more than their female personnel. (Management learned in 1973 that it was entirely legal for them to do this if they wanted.) Although the wage differences between males and females were substantial, they were not as large as the percentage differences between male and female sales and profits. Over the years, Robert Hall set the wages given in Table 2.5. The management of Robert Hall could argue that their female clerks were paid less because the commodities they sold could not bear the same selling costs that the commodities sold in the men's department could bear. On the other hand, the female clerks argued, the skills, sales efforts, and responsibilities required of male and female clerks were "substantially" the same.

TABLE 2.2

{PRIVATE} YEAR	MEN'S DEPARTMENT			WOMEN'S DEPARTMENT		
	<i>Gross Sales</i>	<i>Profit</i>	<i>% Profit</i>	<i>Gross Sales</i>	<i>Profit</i>	<i>% Profit</i>
1963	\$210,639	\$85,328	40.5	\$177,742	\$58,547	32.9
1964	178,867	73,608	41.2	142,788	44,612	31.2
1965	206,472	89,930	43.6	148,252	49,608	33.5
1966	217,765	97,447	44.7	166,479	55,463	33.3
1967	244,922	111,498	45.5	206,680	69,190	33.5
1968	263,663	123,681	46.9	230,156	79,846	34.7
1969	316,242	248,001	46.8	254,379	91,687	36.4

TABLE 2.3

{PRIVATE} YEAR	MALE SALES PER HOUR	FEMALE SALES PER HOUR	EXCESS M OVER F
1963	\$38.31	\$27.31	40%
1964	40.22	30.36	32%
1965	54.77	33.30	64%
1966	59.58	34.31	73%
1967	63.14	36.92	71%
1968	62.27	37.20	70%

TABLE 2.4

{PRIVATE} YEAR	MALE GROSS PROFITS PER HOUR	FEMALE GROSS PROFITS PER HOUR	EXCESS M OVER F
1963	\$15.52	\$ 9.00	72%
1964	16.55	9.49	74%
1965	23.85	11.14	114%
1966	26.66	11.43	134%
1967	28.74	12.36	133%
1968	29.21	12.91	127%
1969	34.16	15.03	127%

TABLE 2.5

{PRIVATE} YEAR	MALE EARNINGS PER HOUR	FEMALE EARNINGS PER HOUR	EXCESS M OVER F
1963	\$2.18	\$1.75	25%
1964	2.46	1.86	32%
1965	2.67	1.80	48%
1966	2.92	1.95	50%
1967	2.88	1.98	45%
1968	2.97	2.02	47%
1969	3.13	2.16	45%

QUESTIONS

1. In your judgement, do the managers of the Robert Hall store have any ethical obligations to change their salary policies ? If you do not think they should change, then explain why their salary policy is ethically justified; if you think they should change, then explain why they have an obligation to change and describe the kinds of changes they should make. Would it make any difference to your analysis if, instead of two departments in the same store, it involved two different Robert Hall stores, one for men and one for women? Would it make a difference if two stores (one for men and one for women) owned by different companies were involved? Explain each of your answers in terms of the relevant ethical principles upon which you are relying.
2. Suppose that there were very few males applying for clerks' jobs in Wilmington while females were flooding the clerking job market. Would this competitive factor justify paying males more than females? Why? Suppose that 95 percent of the women in Wilmington who were applying for clerks' jobs were single women with children who were on welfare while

95 percent of the men were single with no families to support. Would this need factor justify paying females more than males? Why? Suppose for the sake of argument that men were better at selling than women; would this justify different salaries?

3. If you think the managers of the Robert Hall store should pay their male and female clerks equal wages because they do “substantially the same work,” then do you also think that ideally each worker’s salary should be pegged to the work he or she individually performs (such as by having each worker sell on commission)? Why? Would a commission system be preferable from a utilitarian point of view considering the substantial bookkeeping expenses it would involve? From the point of view of justice? What does the phrase substantially the same mean to you?

NOTE

1. Information for this case is drawn entirely from *Hodgson v. Robert Hall Clothes, Inc.*, 473 F. 2nd 589, cert. denied, 42 U.S.L.W. 3198 (9 October 1973) and 326 F. Supp. 1264 (D. Del. 1971).