INTRODUCTION

If one of the aims of ethics is to define and clarify the perceptions of what constitutes the rightness or reasonableness of conduct, an obvious question is, who defines reasonable or right behavior? Individuals define reasonable behavior in their dealings with one another. However, there is a difference between describing behavior and interpreting or assessing behavior. The task ahead is to interpret and evaluate behavior between librarians and vendors, which is more difficult than description because it is necessarily subjective. Admittedly, individual and group values both play a part in how one reaches one's conclusions concerning ethics; and opinions will vary depending upon the segments of society from which comments are solicited. Because more knowledge is wanted about the ethical aspects of the librarian/vendor relationship, assessments are needed from members within those groups.

In 1987, the author conducted lengthy interviews with acquisitions librarians and library vendor representatives to determine how those individuals characterized the ethical aspects of their working relationship. The outcome of those conversations is reported in one chapter of a book entitled Understanding the Business of Library Acquisitions (Goehner, 1990). This paper will share information gained from responses to some of the questions posed in those 1987 interviews plus some new information. Library administrators also play an important role in determining the degree of ethical conduct that exists in relationships with vendors. By including responses from administrators to the questions previously asked of the acquisitions librarians and vendors, another perspective is
added to an examination of the ethical aspects of librarian/vendor relationships.

THE INTERVIEW QUESTIONS

The interviews were conducted in the following manner. In 1987, six experienced acquisitions librarians and six successful vendors were contacted and asked to respond to the same set of questions pertaining to ethics. The librarians were from institutions of various sizes—small, medium-sized, and large. Vendor respondents were from companies that handled book orders and from companies providing subscription services. During the summer of 1989, library administrators from six states and from institutions of various sizes were contacted about participating in the survey. All individuals contacted agreed to take part in the exercise.

Since answers to questions dealing with ethical behavior are based primarily on personal opinions and value judgments, nuances in replies were more likely to be noticed in face-to-face and verbal discussions. Therefore, individual interviews were scheduled with all participants to talk about questions they had previously received through the mail. After the interviews were completed, the answers and related comments were transcribed and compiled. However, because the participants were assured anonymity prior to the interviews, their observations are not identified by name. Still, since ethical reflection means thinking about the question of what expectations others may have of one, the respondents' replies should help clarify what behavior is anticipated. The legitimacy of those expectations can be assessed to determine if, and to what degree, they are or might be accommodated.

Do Social Events Oblige a Library or Acquisitions Librarian?

Here is how the three groups responded to that question. Although everyone interviewed said that social events should not obligate librarians, the operative word is do. Several librarians believed there was, at least in theory, general agreement among their peers that accepting an invitation to lunch or attending a social mixer at a vendor's hospitality suite during conventions do not obligate a person in any way. One administrator's qualified response is typical of the reactions to this question: "I would like to make a distinction between the type of social event. Some of the receptions at Midwinter or annual meetings of ALA are probably different from dinners where perhaps only the institution was involved with the vendor. I would look much more warily at the small private dinner than I do the large reception." There is a point at
which social entertaining does tend to create a sense of indebtedness. The likelihood of librarians allowing their decisions to be affected by social activities was believed to be directly related to the amount of money involved. The more elegant the dinner, the more lavish the social event, and the more frequent the invitations, the more likely one was to feel subtle pressure to reciprocate by placing orders with the more generous vendors. Even one of the vendors indicated that when the question is do rather than should social events obligate librarians, the answer would be, “In some cases, yes.”

Nonetheless, among those interviewed there was consensus that it is a common practice for vendors and librarians to interact socially, and no one expected that behavior to change. Social activities can and often do help both parties understand each other better and can lead to improved working relationships. Vendors mentioned that a more productive discussion frequently takes place over breakfast or lunch when librarians are away from the distractions and interruptions in their work environments. To prevent matters from getting out of hand, it was suggested that vendors set reasonable fiscal guidelines for social activities and stick to them. Many corporations have established certain criteria for business entertaining that are to be adhered to by employees. Yet the values held by individuals, as well as personal motivation, determine how consistently those rules are followed.

If vendors could agree collectively to reduce the amount of money they spend on social activities, libraries might be better served. The high costs associated with entertaining are simply passed on to the library consumer in the form of lower discount rates, higher handling or transportation charges, and similar cost recovery strategies. Librarians who are genuinely interested in seeing vendors set limits on expenditures for social events were encouraged to say so. Beyond that, however, several of the respondents said that there must be a commitment to behave accordingly by declining invitations to extravagant events which could be compromising. As one vendor said during the interviews, “What fuels all this behavior is what works. If it doesn’t work, it won’t be continued.” As long as vendors perceive that financial outlays for social events pay off, they will continue to sponsor them.

Is It Fair to Compare Your Vendor Contract with Those of Other Libraries?

One acquisitions librarian replied by saying that one of the things that contributes to keeping the library profession honest is that this type of information is shared even though specific names might not be used. Although the other librarians agreed, it was clear that they believed
those making the comparisons should exercise care and strive for equity. Typical of the administrators' responses were these statements: "There is nothing wrong in making comparisons, but you need to be sure that you're comparing the same thing." And from another: "Yes, although you need to understand that contracts are determined by volume of business and the type of orders generated." If there are special conditions which would affect the outcome of the assessments, those qualifications should be noted. Few of the librarians thought it was unfair to discuss costs; but if there were specific stipulations negotiated with a vendor that were unique to a single institution, they questioned whether this information should be shared with other libraries. Although describing vendor contracts was not viewed as a breach of ethics by most of the librarians as long as factors figuring into the comparison were actually similar, one librarian drew the line at sharing particular discounts received from vendors.

It is apparent in the responses from vendors that attitudes toward this question differ. One vendor said that contracts between a library and a vendor were considered by his company to be private documents and that confidentiality should be maintained on both sides. The reason given for this position was that a contract is a vendor's response to a set of library-specific needs and/or requests; rarely do such specifications match library to library. Exceptions to that position were bid situations or cases where the contract is uniform for all customers.

Another vendor said it was all right for librarians to compare contracts unless there had been a specific agreement with the vendor not to reveal the details of the contract. A third vendor stated that his company's position was that a well-informed customer is a better client. Moreover, since there should be nothing to fear from an honest and fair comparison, information sharing among librarians was not viewed as a problem. Other comments made by vendors echoed the concern expressed by librarians regarding comparisons, i.e., that conditions in the respective institutions be taken into account.

What Information Should Vendors Reveal among Themselves about Libraries or Librarians? What Information Should Vendors Reveal to Librarians about Other Vendors?

Because questions three and four are very interrelated, it was more difficult for respondents to keep their answers separate. What is most interesting about all the responses to these questions is the brevity and similarity of the comments. Essentially, everyone agreed that very little information of a specific nature should be shared when vendors discuss either other libraries or other vendors in their conversations with
customers or potential customers. One administrator went so far as to say that vendors should not feel they have to reveal anything about their competition or other libraries in their business dealings. Most of the individuals interviewed believed that if information were shared, it should only be nonproprietary or public information.

**What Are Legitimate Promises on Both Sides?**

While this question caused the most difficulty for respondents because of the word *promises*, one administrator said it was still a good question because it was thought-provoking. While this question also elicited the most discussion, the comments were more disparate and, consequently, more difficult to summarize. This was especially true because there was as much description of behavior that was disliked when legitimate promises were not kept as there was in identifying the promises. What follows, then, is a combination of what librarians expect from vendors, what vendors expect from librarians, and what business practices both groups prefer.

Vendors expect librarians to be as good as their word when they indicate the volume of orders that will be placed. Other considerations vendors appreciate are a fair mix of orders, good pre-order searching to reduce the number of duplicates and returns, and prompt payment when goods and services have been delivered as promised. Librarians should recognize a purchase order as a legal, contractual obligation representing a product or service that is going to be accepted and paid for in accordance with the vendor’s terms of sale. One vendor elaborated:

Librarians must recognize that their vendors must receive fair pay for services provided. Vendors are under tremendous strain to constantly reinvest profits back into their business, particularly regarding emerging technologies. Unrealistic demands for increasing discounts only fuel the discount gamesmanship of some vendors. In today's competitive environment we find vendors according discounts that are deemed necessary to buy a particular account. And librarians encourage this unethical happening.

One of the librarians interviewed was also uneasy about the attitude of some librarians toward the vendor’s predicament. She explained:

I am particularly concerned about delays in payment to small vendors who may already have a cash flow problem. Carrying a long overdue account may result in the failure of a small organization having limited reserves. Librarians have to be sensitive to the effects of their actions in these matters. Many librarians seem to think they deserve a lot of favors from vendors, and yet, they have little understanding of what it takes to run a business these days.
One of the administrators noted the importance of written contracts or agreements and elaborated as follows:

I think too many things have been done with a handshake in the past. We are trying to move to written contracts whenever possible to limit the area of misunderstanding. I think some vendors resist that a bit because it holds them liable in a different way. But what I am finding is that we are getting new and different people in procurement at our institutions who are requiring us to behave in different and more businesslike ways because of external auditors. All of the publicity surrounding the costs of higher education has pushed toward much tighter cost control.

Almost all of the administrators echoed this call for putting agreements in writing. In fact, one of them declared that “anything that has to do with the business that a library does with a vendor should be in writing.”

Both vendors and librarians emphasized the importance of keeping one’s word. When either party does not live up to its promises, the library/vendor relationship is damaged. When a librarian negotiates a certain volume of business with a vendor (who quotes a discount based on that volume), these are considered legitimate promises.

Other ethical issues that were considered serious included defaulting on contracts; abusing policies on book returns; over-encumbering and overspending by libraries; and expecting financial support from vendors for activities unrelated to libraries. Such practices strain the library/vendor relationship and can lead not only to criticism but also to termination of the business affiliation. Numerous examples were given to illustrate the awkward position in which vendors and libraries have found themselves when the limits of probity were exceeded.

The description which follows depicts one vendor’s dilemma in a case where canceling a contract was considered the appropriate course of action. Library X told Vendor Y that a certain amount of money would be spent for materials from a variety of publishers—trade, university presses, and sci-tech. Vendor Y wrote a two-year contract which included a good discount based on the volume and mix of orders projected by Library X. When the mix of orders was not at all as indicated by the library, Vendor Y’s contract became unprofitable. The vendor had to decide whether to honor the contract or default and cut its losses. The company decided to fulfill its obligation for one year but to cancel at the end of the first year rather than letting the contract run the intended two-year period.

Another situation that can affect a vendor’s profit margin is the extent to which librarians abuse their privileges on returns. Vendors can legitimately return books to publishers within 90-100 days. When libraries keep books longer than the publisher’s return agreement
specifies, the vendor again finds him- or herself in a quandary. If the late return is accepted in order to maintain a good relationship with the library, profit on the sale is forfeited. By refusing the late return, future orders from the library are jeopardized. One vendor remarked that it seemed to be that the same libraries abused this policy on a routine basis.

A related occurrence involves the return of material because of poor quality. Vendors said they ought not to be placed in the role of judges in the publishing arena and expected to evaluate the quality of material. As one vendor explained, "If inferior material is returned to us because of its content, and if the publisher will not accept the return, the vendor should not have to absorb the cost. The library should keep the book. It is not our job to see that standards of quality meet the library's expectations."

Although there were numerous examples given of ethical infringements, the practice of overspending or overextending library material budgets was selected as the last illustration to be included because it is serious and because it was reported to occur with some degree of regularity. There are libraries that not only overencumber their materials budget but also overspend their allocation. They then expect the vendor to "carry" them or bail them out. There were degrees of seriousness associated with this problem. One of the vendors described a situation where a library ordered $200,000 of processed books. After the vendor had placed, received, and processed the orders to the library's specifications, the librarian called to say there was only $100,000 in the book budget. Who was asleep at the wheel? Was it fair to expect the vendor to hold invoices for those books until the library's funds for the next fiscal year were released? Unfortunately, this was not an isolated instance of this type of behavior. The vendor's position in cases such as these was outlined in the following statement: "We have had several experiences with libraries and business offices who have overspent, promised payment, and failed to make payment over a long period of time. We have been put in a difficult situation because of such unscrupulous practices. Business officers and institutional fiscal agents should know better." One of the librarians who acknowledged that this practice was more prevalent than she liked to admit added that she did not want her library to subsidize those institutions that did not pay their bills on time.

**What Do You Believe Is The Greatest Incentive to High Ethical Behavior in Organizations?**

This question dealt with ethical issues of a broader nature. Most respondents had some difficulty with this question, but there was general
agreement that while the ethical tone of an organization is established and fostered at the top, individual pride and personal integrity may be more influential in determining how ethically an organization operates. As one library director explained, "It seems to me that ethical behavior is learned. You watch how people behave when you are young, and if you observe ethical behavior, you will tend to follow that example." And another director observed, "We tend to give out punishment for unethical behavior, but I can't think of any rewards for high ethical behavior either in our professional associations or any place else in society." A third library administrator said she would urge keeping in mind whether the behavior and decision will bear close public scrutiny.

Management has to assume responsibility for defining and maintaining the value system within an organization. Among the values cited as prerequisites for high ethical behavior were fairness, honesty, and respect for others. If high standards are demanded and practiced by those in positions of leadership, other people in the organization will be more inclined to follow suit. In the words of one of the librarians, proper behavior is more likely to occur "just by knowing that ethical behavior is what the other person expects, by letting each other know when these expectations have not been achieved, and by indicating how severe the lapse was judged to be." Another respondent said that a good reputation is built up over a long period of time and that consistency in doing the right thing is how respect is earned. Avoiding short-term, quick-fix solutions to problems was considered a good approach to establishing the necessary climate for success. As one individual noted, perhaps the greatest incentive to high ethical behavior in organizations is "the clear indication that unethical behavior is intolerable. Moreover, the environment should be such that others within the organization would be shocked if unethical acts had been committed."

What Do You Believe Is The Major Cause for Ethical Lapses?

As might be expected from previous answers, one reason given for ethical lapses was the failure within the organization to have clearly defined and communicated the expectation for high ethical behavior. Lack of concern on the part of leadership does make a difference in how people behave. If an executive officer does not exercise internal control by telling staff that ethics is an important issue, the business practices of some employees may deteriorate. An organization is ultimately defined by the caliber of people it employs, not by mission statements or advertising claims. Therefore, if the ethical conduct of an individual degenerates, the good name of the organization also suffers. When the bottom line becomes the prime consideration for
vendors, the company is jeopardizing its reputation. Based on those observations, it was not surprising that most respondents said that greed was the major cause of ethical lapses. This reason would apply more to vendors than librarians in the previous context; yet librarians put themselves in a similar position when they ask vendors for donations knowing that the vendor’s interest will not be served. For instance, how does a vendor benefit when he agrees to make a donation toward a university’s fund drive for a new field house? Vendors reported cases even more flagrant. Some university development officers telephone companies having major accounts with their institution and ask for substantial donations to their development programs. The implication is that if the company does not contribute, the institution might select another vendor for services being provided by the present supplier.

While activities centering around money were mentioned most often as ones which can lead to questionable conduct, other causes for ethical lapses were identified. They included naivete, thoughtlessness, egotism, and exploitation. One respondent said a major cause for ethical lapses was simply plain ignorance of what should be the standard of behavior. Others mentioned as causes lack of good judgment, the desire to take advantage of a situation, and a feeling of dissatisfaction with the organization. However, the majority of respondents thought that vendors and librarians were, for the most part, a very ethical group of people. Commenting on the conduct of both parties, one librarian observed: “I think in some ways we are to be complimented because the number of cases we see that involve unethical behavior on the part of librarians or vendors is minimal.”

CONCLUSION

It would be possible to end this presentation with the above positive statement. However, there are a few concluding remarks that should be mentioned. Each person was asked if there were other comments they would like to make pertaining either to ethics or to the relationship between librarians and vendors that were not covered in the previous questions. Several of the respondents noted that few library schools teach students much about the publishing world, the acquisitions process, or how to be a good consumer. Many librarians accept positions in an acquisitions department with little firsthand knowledge of basic bookkeeping practices, contract negotiations, financial reports, or accounting principles. They know even less about how vendors operate. This void in their program of studies has to be filled on the job and can result in a less-than-optimum business relationship with seasoned vendors. How-
ever, there was the perception that librarians were becoming more businesslike in their approach to acquisitions. As fiscal agents for their institutions, librarians are responsible for monitoring the expenditure of many thousands of dollars. To build quality collections, they should make every effort to ensure that they are acquiring the most appropriate material money can buy. They should be able to provide valid reasons for their choices and indicate how the selections they make contribute to quality and value for library users. One of the vendors went so far as to say that he thought it was unethical for a librarian to spend large sums of money for books and not expect to be held accountable for where the money was spent or how good a value was received. With more access to the products of automation, there is the potential for better management information to monitor the performance of vendors and librarians. While this could lead to more scrutiny and more competitiveness, the general consensus of respondents was that having better data is essential in evaluating effectiveness.

Finally, joint decision-making regarding appropriate conduct can be successful only if both parties are frank in their assessments and if they have entered into the discussions with good intentions. As expected behaviors are communicated openly and candidly, both librarians and vendors will gain a better understanding of how to interact more ethically and effectively in their business dealings with one another. The odds of seeing eye to eye will surely be improved through such dialogue.

REFERENCE