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Making Effective and Ethical Decisions

How do I:

- Decide between competing options and interests?
- Make a decision before having all of the necessary information?
- Make a decision that I can stick with?
- Decide whether I should make the decision by myself or involve my team?
- Know if I am making an ethical decision?
- Know that I’m making the right decision?
- Help my employees make sound decisions?

Ashley was torn. She looked down at her registration card. She had gotten the courses she wanted. Or had she? Approaching her junior year in college, Ashley was contemplating changing her major. She just didn’t know what to do. Ashley is very intelligent and capable. Like many other students, she thought she would major in business—a practical major for any field, her parents and advisors assured her. She took the right courses and got the necessary grades, even excelling in some areas. She had also worked summers and as an intern for a consulting firm. Everyone told her she would be good in business.

Despite all these positive signs, something was holding her back. In her sophomore year she had discovered a love of literature. Nothing could be more different than business. Yet she found it more interesting and satisfying than the business courses she was taking. Ashley didn’t know what to do. She was fearful of approaching her parents. They had made it clear they were willing to pay for her college if she majored in something practical. Then again, her parents wouldn’t know what classes she was taking. Ashley tried contacting her advisor, but he didn’t have time to see her. Her friends had their own registration hassles. Her teachers wouldn’t be supportive, she thought. Why would they encourage her to drop out of their classes in favor of someone else’s? She didn’t know what to do.

1. Why is Ashley in this situation?
2. What issues is she facing?
3. What options does she have available to her?
4. What should she do?
What Is Decision Making?

Decision making is a process by which several possibilities are considered and prioritized, resulting in a clear choice of one option over others. Decision making is a fact of life personally and in business. We make dozens of decisions each day. Some decisions are simple, while others are complex. Some are made for us while others require a great deal of analysis and thought. From what to wear to work to what computer system to choose to how to reward top performers to what movie to see, we use a variety of complex thought processes to make decisions from an array of options. Our ability to make decisions helps us to navigate through life, avoiding potential problems and expanding our horizons. Decision making plays a similar role in business. Decision making aids managers in identifying and selecting among potential opportunities, helping them solve immediate problems and make future problems more manageable. Good decision makers are those who are effective at processing information, assessing risks, and making choices that will have positive outcomes for their organization. While at times intuitive or “gut” decision making is appropriate, in this chapter we focus our attention primarily on the rational decision-making process, as it is most relevant to working in organizations and as part of a group.

Why Is Decision Making Important?

Effective decision making is essential for both organizations and individuals. Changes in organizational structures, processes, technology, and the availability of data have increased the need for members at all levels of organization to make decisions, and make them effectively.

- With the change from hierarchical to flatter, more participative organizational structures, it is crucial for employees at all levels of the organization to have the information and authority they need to react quickly to customer concerns, business issues, and changing market trends. Having a decision-making frame of reference enables employees to react quickly and make decisions that are in the best interest of the organization.

- Today more business decisions are being made in team environments. Group decision making is even more complex than decisions made by one or two individuals. Employees in team environments need to understand how to gain buy-in for their positions and how to work with others to arrive at a consensus about a preferred course of action. A decision-making framework can provide the basis for identifying mutual interests. This can serve as the foundation for healthy discussion and eventual selection of one option over others.

- Technology is literally speeding up the pace of business. Quick decision making is not only desired, it is expected. Poor or slow decision making can result in failure or a lack of competitiveness. In our fast-paced business environment, the ability to identify potential problems and opportunities, collect the data needed to analyze their limitations
and merits, and make expedient determinations based on the information available has become one of the most important managerial skills. Companies that train their employees to be good decision makers and encourage smart decision making can increase efficiency and boost profits. By eliminating unnecessary steps, combining knowledge, and simplifying processes to help speed up decisions, managers with honed decision-making skills can have a tremendous impact on a company’s bottom line.5

The vast amount of information available today through the media, Internet, and other outlets makes decision making an essential—rather than a “nice to have”—skill. The most effective managers are those who are able to quickly scan a wide variety of data from numerous sources and determine which information is relevant for their needs. Through decision-making processes, managers learn to translate, assimilate, and activate the information they receive.6 Decision-making skills play a vital role in managerial success.

The Decision-Making Process

Figure 18–1 represents a straightforward process for making almost any type of decision. This framework can be used for decisions you face in your personal life, at school, and in the workplace.

Step One—Identify the Core Issues

What is the concern you are addressing? What is it you’re trying to change or react to? In the first step of decision making, you need to determine your objective, stating clearly and specifically what you want the end result to be.7 You want to select a movie everyone can agree on. You want to choose a major that makes you happy. You want to acquire a business that will increase your share of the market. By specifying the end goal or desired state, you have a logical foundation for making a good decision—for sorting through options and determining which one or ones best meet your overall objective.8

One of the most common errors in decision making is solving the wrong problem. There is a tendency to define the problem too narrowly, resulting in fewer alternatives from which to select to implement a satisfactory outcome. This is a condition known as satisficing.9 It is important early in the decision process to step back and analyze the situation from a broader perspective to ensure you are focusing on the real issues.10 This takes discipline. Returning to our opening case, if Ashley were to rush to make a decision about a major before she’s ready because of the school’s registration schedule, the resolution of the problem might be temporary. Without the time to address the real issues that are involved—deciding what is best for her long term, not just this semester—she might find herself faced with the same dilemma next term. It’s best to define a problem clearly before taking action.11
How will you (and your group) make the decision? What options are available to you? What are the possible ways in which you can respond to a situation? What are the different steps that can be taken? In the case of selecting a movie with a group of friends, you can flip a coin, you can each vote on your top choice, you can defer to the person paying for the tickets, or you can take turns selecting a favorite to see. In our case example, Ashley could agree to talk with her parents, make an appointment to meet with an advisor, or even defer her decision and take a career planning course, all of which could help her eventually make the real decision on which major to select.

Establish a course of action before attempting to make the decision. This sounds simple. But often people rush to make a decision before agreeing on how the decision will be made. The very act of discussing a potential process paves the way for consideration of options that might not otherwise have surfaced.

By definition, making decisions implies that more than one option is available to you. It is very rare and unusual for any problem or situation to have only one solution or possibility. People who only consider one alternative or solution are setting themselves up for failure or marginal success. Often the initial solution presented is not the best one. Sometimes, we are unable to generate additional options because of our mistaken beliefs or assumptions about a situation, such as there is only one right answer or one course of action that meets our needs. It’s a good idea to test such assumptions by asking questions such as, “What if there’s a cheaper way to fix the problem?” or “What if I could get my parents to see that there are other practical fields in which to major?”

The best decisions are those made after consideration of varied or multiple options. Be creative and brainstorm as many potential alternatives or solutions as possible. In cases where more than one person is involved, examine alternatives from all perspectives to get a near optimal or creative solution. In Ashley’s case, she might find—after taking time to explore her situation and discussing it with others—that she can double major in business and literature, or major in literature now and study business in graduate school. Generating options is often a liberating step in decision making. Where initially you might feel overwhelmed and pessimistic about the chances of solving your dilemma, by generating alternatives you free yourself to consider things you might not have thought about before.

Well, if your decision is which movie to see, and you and your group are standing in front of the theatre, you’re probably not going to take the time to research the options, unless you count reading movie reviews ahead of time as research! For most other decisions, and for virtually all decisions in teams and in organizations, this is a crucial step. Often one of the reasons we’re unable to move forward and make a decision is we simply don’t have the information needed to make a good decision. In Ashley’s case, she lacks information about how her parents would react, about suggestions her advisor might have for her, or about how to make a double major or a combination of a major and a minor work. By taking the time to gather data, you are able to increase your confidence that once the decision is made it will be the right one, as it is based on the information available at the time.

At this point, a little healthy pessimism is needed. Once you’ve been creative and nonjudgmental in generating options and gathering information about them, you can assess the pros and cons of each option. Assess the gains that would be derived from each and any limitations that are inherent in each option. Also consider other factors that are important to you when making the decision and evaluate the degree to which each option relates to the factors of importance. For example, factors that might be important to Ashley are choosing the major that’s right for her, pleasing her parents, and choosing a course of action that allows her to graduate within the next two years. The one option that best meets these goals is the one Ashley should likely select. Majoring in business would meet her need to please her parents. Majoring in literature is the option that would make her happy. But changing her major at this point might result in her having to stay in college for a fifth year, something she doesn’t want to do. Overall, majoring in business and adopting a literature minor might be the option that best meets a combination of all of
Ashley’s needs. She can please her parents, take courses in an area in which she’s truly interested, and graduate in four years.

Many times we work with incomplete or imperfect information in the decision-making process. We can reduce the risk factors by hypothesizing potential scenarios. For each option, ask questions such as, What would happen if I decided to do option X? How would I feel if I were to implement option X? How would option X affect other areas of my life or the business? At this stage, it’s also appropriate to narrow the alternatives. Only consider the options that are truly realistic and fulfill the goal or desired end state you defined in step one.

Seldom do we have a chance, like Ashley, to choose an option that meets most of our primary needs. In real life we are faced with decision trade-offs—accepting options that don’t meet all of our needs in order to meet our most important or highest-order needs. A systematic way to do this is to make a list of all of the factors that are important to you in a decision, prioritize those factors, and then weigh each option against the factors to determine the one that best meets your most important needs (see Figure 18–2). This option may not meet all of your priorities, but it should meet your top two or three.

**Figure 18–2**
**Priority Grid**

1. Insert the items to be prioritized, in any order, in Section A.
2. Compare two items at a time, circling the one you prefer—among the two—in Section B.
3. Count the number of times each item was circled. Enter total in “Times” box.
4. “Times” total determines item’s ranking. Most circled = #1, next most circled = #2, etc. If two items are circled the same number of times, look back in Section B to see when those two were compared and which one you preferred. Give that one an extra half point. Complete the rank order in “Rank” line of Section C.
5. List items in Rank order in Section D.

Figure 18–3
Seven Helpful Techniques for Generating and Evaluating Alternatives

1. Look for analogies—make comparisons to other situations, projects within and outside of your company.
2. Let data and impressions flow—manipulate data in various ways, allow for a variety of outcomes.
4. Take a break and let the subconscious work—allow for the experiential and instinctual parts of decision making to evolve.
5. Do an outcome analysis and measure the downside—check the comparisons, weigh and understand probabilities.
6. Check for spurious precision—reexamine data and information to determine if specifics and vital information were created and incorporated in the gathered data.
7. Do a reality shakedown—examine the alternative for the quality of execution by asking questions such as, Do I have the resources needed for implementation? Do I have the time and people to make this work?

With the availability of so much information in today’s technology age, it is possible to get caught up in having too many alternatives, too many ideas, and too much work. This can lead to a lack of focus and momentum, which can lead to indecisiveness and a loss of power.15 We may become overwhelmed by the options and never proceed to selecting one, a condition known as analysis paralysis.16 Prioritizing the factors that are important to you and evaluating your options against these priorities can help you to narrow the options to those that are the most viable given the circumstances and your goals in a specific situation.

Step Six—Reach a Decision

Once all the information is in and you’ve had a chance to consult with others as necessary and weigh the alternatives, it’s time to make a decision. Determine which option best meets your overall needs and resolve to act on that option. But before taking the plunge, envision taking the plunge first. Do a self-visualization to make sure the decision you’re making is one you can live with. One way to do this is to make a decision, but take 24 hours to think about it. Let your subconscious act as though you’ve made the decision, but don’t let anyone know and don’t act on the decision yet. The next morning, before you even rise, ask yourself how you feel about the decision you made yesterday. Listen to what your heart tells you. Do you feel positive? Calm? Like it was the right choice? Or do you feel negative? Panicked? Like it would be the wrong choice? If you feel fine about the choice you’ve made, it’s an intuitive sign you’ve made the best decision given the information available and you can probably act on it. If you still have serious reservations about your decision, then you’re not ready to act and you should defer action until you’ve had a chance to resolve the conflict you’re experiencing.

Step Seven—Implement and Monitor

Once you’ve reached a decision, it’s time to act on your decision and monitor it to make sure it’s resulting in the outcome you expected. Develop a plan that specifies the steps you’ll take, a time frame, and the key players. In Ashley’s case, she would make plans to go home and talk with her parents, make an appointment to see her advisor, meet with those of her instructors who might be affected by her decision, and plan a visit to her college’s Career Center to learn about career options for the major(s) she’s considering. Then, monitor the plan to see if it is following the direction you wanted. Also observe whether external factors have changed or if you’re receiving information that might affect your decision, and adapt your plan accordingly. For example, Ashley might find a book that lists internship options for literature students, giving her hope she could look for a job the following summer that utilizes her literature background. Taking the time to plan and to monitor the decision after making a decision ensures that you’ll do the follow-through necessary for the decision to be successful.

Group Decision Making

Organizational decision making is more complex than individual decision making because of the number of people involved in making the decision and the volume of people affected by the decision. Several different types of decision-making processes...
can be used when making organizational decisions. The process chosen depends on the type of leadership, on the people involved, and on the time available for a decision to be made.

■ Autocratic decision making: This approach involves making decisions on your own or independently. This approach is fast and timely and can be effective in matters that are minor or trivial or where there would be more to lose than to gain by getting others to participate. This approach can also be appropriate in times of crisis, when it is critical for one strong person to be in charge. Potential problems that could stem from an autocratic decision approach are lack of commitment by individuals to decisions imposed on them, an increased likelihood that decisions made are wrong, lack of creative expansion or development of ideas, and that decisions are made that reflect a single perspective. For this approach to work, collect the data needed to make a decision and communicate to others your rationale for taking a certain route immediately, pointing out the benefits of that route to those who will be affected by the decision.

■ Expert member soliciting: This approach involves obtaining input from and relying on the advice offered by a person with particular skill or knowledge in the area of concern. This approach is effective when those involved in the decision lack expertise in the area being addressed and when there is time to bring in outside opinions for consideration by the decision-making body. A limitation of this approach is that it is difficult for an outsider, no matter how competent, to understand fully the dynamics involved inside any organization. The expert’s opinion about the subject might be viable in other organizations but not in yours. To make this approach work, seek outside counsel, and involve internal group members when making the final decision.

■ Consultative decision making: This approach involves obtaining input from those responsible for and affected by the decision and then making a decision independently (rather than by consensus by the whole group, as outlined below). This approach has the advantage of allowing for some suggestion and involvement by others (limited empowerment). In this way, you can obtain others’ perspectives and help others to feel included and to feel their insights and thoughts are taken into account before a decision is made. The disadvantage of this approach is that it is more time-consuming to get others involved before making a decision. Asking for others’ opinions without making your own perspective known sometimes makes a manager appear to be indecisive. This approach can also backfire if it appears that decisions are made without ever taking into account others’ perspectives, leading others to believe their opinions were neither desired nor included. For this approach to work, let the group know you have a strong opinion but don’t want to make a decision until they’ve had a chance to give input. Incorporate at least part of their suggestions into the decision. If this can’t be done, explain clearly the rationale so the group members feel they were heard, and assure them they will be included in future decisions.

■ Minority control: This approach involves allowing a small portion of a larger group to make a decision. This approach is effective when time constraints or logistics make it impossible to get a large group together and the decision makers act on behalf of the large group. It is also appropriate when only a small part of the group has the expertise or interest in the issue. The disadvantage of this approach is that it is risky; the chances of the majority of the group not being satisfied with the outcome are greatly increased. For this approach to work, offer those who won’t or can’t be present for the decision the chance for input and keep them informed of the issues under discussion and the rationale for the decision ultimately made.

■ Majority control: This approach involves making the decision that is favored by the largest number of people in the group. The advantage of this approach is that it allows for the largest percentage of those involved to make and control the decision. It is a practical means for large groups to bring closure to discussions to which many have had input. A disadvantage of this approach is that it is often very time consuming to get a majority on an issue. Another limitation is that sometimes in a “majority rules” context, a few members can dominate the discussion, making it less possible for other perspectives to surface and be considered. By definition, in a majority-rule situation, it is likely that not all group members will be satisfied with the outcome. As the saying goes, “You can
please some people some of the time, but can’t please all of the people all of the time.” Unfortunately this approach often results in an either/or proposition with one side appearing to “win” and the other to “lose.” In fact, the solution reached might not actually be the best solution, but the one to which the fewest objected. To make this approach work, lengthen the time during which creative options can be entertained, increasing the likelihood of an option surfacing that can be acceptable to the vast majority of the group and not just a small majority. In addition, consider imposing a two-thirds rule, where at least two-thirds of the group has to support the decision, rather than a simple 51 percent majority.

- **Consensus:** This approach involves finding a proposal acceptable enough that virtually all members can support it. This is the “win–win” scenario. To be clear, consensus does not necessarily mean 100 percent agreement. Instead, because all members were involved in an open and complete decision process and had input into the decision, virtually all of the members of a group are satisfied with the outcome, and confident in the viability of the solution reached. The chief advantage of this approach is that the quality of the decision will be greatly enhanced because of the attention paid to all interests in the group and the creativity involved in generating potential options. The limitations of this approach are that it is very time-consuming and involves a great deal of skill in dealing with people and helping the group to deal creatively with the situation. It also means the manager cannot impose his or her will on the group and must be open to others’ perspectives on how the situation should be addressed. To make this approach work, provide the group with the information they need to take all important factors into account, provide an atmosphere and resources that support creativity, and develop a timetable that allows the creative process to work and the group to find a viable, creative solution.

Group Decision-Making Considerations

Each of the decision-making approaches we’ve discussed can be appropriate given the situation you’re facing as a manager. **Group decision making considerations** that determine the approach that’s best to use in a specific situation include time, member competence, level of autonomy, amount of information available, and group size.

- **Time:** Each approach has a different time requirement. The autocratic approach generally takes the least amount of time while the consensus approach takes the most. For any approaches other than autocratic to work, provide the time available to make a good decision. When time is short, choose an approach by making trade-offs based on the time available.

- **Member competence:** Each approach implies a different level of group member competence. The autocratic approach assumes the least competence; the consensus approach, the most. Consider the skills and abilities of others in determining whether they should be a part of the decision-making process. For any but the autocratic approach to work, train the staff in how to interpret data and make comparisons between opposing alternatives. Group decision making requires that each member has an understanding of the issues involved and has the evidence needed to support the final decision.

- **Autonomy and self-direction:** Each approach assumes members have a specific level of freedom and motivation. The autocratic approach assumes the group members have the least amount of authority or desire for change; the consensus approach, the most. The type of people involved, the amount of authority they have, and the extent to which they are self-directed will influence the decision-making approach selected. For any but the autocratic approach to work, increase the ability of the group to not just make but implement the decisions made by the group. The more ownership they have over the outcome, the more involved they will be in the process of sorting through alternatives and selecting one to implement. And the more committed they will be to the outcome.

- **Availability of necessary information:** Each approach assumes a different level of information is available to group members. The least amount of information is available in the autocratic approach; the most in the consensus approach. For any but the autocratic approach to work, the group’s members need access to essential information. Provide information that is relevant to the topic at hand and that is easy to access and interpret.
**Group size:** Each approach assumes a different group size. The larger the group, the more difficult it is to gain a consensus decision and the more likely it is for a manager to revert to an autocratic approach. While group size is an important variable, it should not be used as an excuse for making decisions autocratically. Technology now makes it possible for large groups of employees to be informed about and have input into important matters before a decision gets made. For example, in universities it is now common practice for faculty committees to post their deliberations online so other faculty who were not present at the meetings can learn about and react to the discussion before the committee makes their final decision. In businesses, the communications departments, which previously focused on company newsletters, now play a vital role in devising creative means for employees to be involved in decision making on important topics. This is done through techniques such as virtual meetings between the company chair and officers and employees, round-table discussions with committee members and heads, online submission of ideas for improvement, and regular meetings and communications about the status of important activities. For any but the autocratic approach to work, think about ways employees can be incorporated into the decision-making process before decisions that affect them are made.

Victor Vroom, Phillip Yetton, and Arthur Jago have created a normative model (see Figure 18–4 below) that managers can use in deciding whether and in what capacity to involve others in making a decision. The *Vroom–Yetton–Jago model*, which takes into account many of the considerations discussed above as “problem attributes,” assumes that with any managerial decision, five processes are possible:21

1. The manager solves the problem, using the information available at the time (AI style).
2. The manager obtains the necessary information from employees and then makes the decision (AII style).

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**Figure 18–4**
The Vroom–Yetton–Jago Decision Model

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3. The manager consults with subordinates individually, getting their ideas and suggestions, and then makes a decision (CI style).

4. The manager consults with subordinates as a group, again getting their ideas and suggestions, and then makes a decision (CII style).

5. The manager explains the problem to the employees as a group, and the group makes the decision (GII style).

Based on answering one at a time the eight questions listed below, a manager can arrive at the most appropriate decision style. To use the model, you begin with the decision under consideration. Starting at the QR node (see Figure 18–4), you would ask, “How important is the quality of the decision?” If your answer is “high,” you’d take the upper path; if “low,” you’d take the lower path. Then, at the CR node, you would ask the second question: “How important is employee commitment to the decision?” Again, based on your determination of the answer, you would move to the third mode via the second node’s upper or lower path. The eight questions, in order, are:

1. **Quality requirement (QR).** How important is the technical quality of the decision?
2. **Commitment requirement (CR).** How important is employee commitment to the decision?
3. **Leader’s information (LI).** Does the leader have sufficient information to make a high-quality decision?
4. **Problem structure (ST).** Is the problem well structured?
5. **Commitment probability (CP).** If the leader makes the decision alone, will subordinates be committed to the decision?
6. **Goal congruence (GC).** Do employees share the organizational goals to be attained in solving this problem?
7. **Subordinate conflict (CO).** Is conflict among employees over preferred solutions likely?
8. **Subordinate information (SI).** Do employees have enough information to make a high-quality decision?

### Advantages of Group Decision Making

Whenever possible, it is best to involve as many members of a group as possible in making decisions about matters that affect them. There are many benefits to involving employees in group decision making.

- Group decision making results in more alternatives. In group decision making, more resources, creative ideas, and perceptions are applied to the process, strengthening the quality of the ultimate decision.23

- Involvement by group members in the decision leads to greater buy-in to the decision. In group decision making, those involved understand the broader context and the considerations that went into the decision, along with the importance and need for implementation of the decision. They will feel that they have a vested interest in the project and are more likely to support you in resolving the situation.24

- Group decision making helps team members to develop new skills. In group decision making, team members enhance their knowledge base through exposure to a broader array of issues and perspectives than typically found in their job alone. An employee will learn more by being involved in thinking through a situation than by being told what to do in a situation. Again, the adage “teach them how to fish rather than give them fish” applies here. For example, if an employee comes to you with a question, rather than answering right away, look at this as a training opportunity and ask, “What do you recommend?” Teaching people to make responsible decisions prepares them to move ahead faster and more effectively in their careers.25

- Group decision making is a means for enhancing empowerment. Those with good decision-making skills are able to make important judgments and determinations in a number of key areas of responsibility, doing so quickly and accurately. This results in enhanced productivity and efficiency.26
Despite the many advantages, group decision making has some limitations. You may have experienced situations in which one or more of these phenomena occurred:

- **Group think**: Businesses are full of examples where “group think,” or a collective mentality, has replaced individual judgment, resulting in negative consequences for the organization. In group think, employees succumb to the will of the group for fear of being perceived as uncooperative or incorrect.\(^{27}\) It is widely thought, for example, that peer and competitive pressure caused individual engineers who were involved in the launch of the “Challenger” spaceshuttle in 1986 to support decisions that were being made by the group even though they as individuals had reservations about the safety of the ship. As a manager, it is your role to ensure everyone feels safe and free to disclose to you and the rest of the group any concerns they might have about a project before a final decision is made.

- **Dominant members**: In group decision making, there is a tendency for a few individuals to be highly verbal or strong willed. This can cause others who are more quiet to defer to what they think is the majority, when in fact it might be just a vocal minority. The danger in group decision making is that individual views might not become known through the standard group process of discussing factors before making a decision. As a manager, ensure that all have spoken and shared their views with the others, either orally or in writing, prior to a decision being made.\(^{28}\)

- **Social loafing or free riding**: In group decision making, it is easy for one or more members of the group to choose not to contribute, or to contribute much less than other members. If the group is large, such noninvolvement might not even be noticed. Even if it is, if a deadline is looming, the tendency will be for a few to pick up the slack and ensure the necessary actions are taken or steps are completed, leaving the “free riders” seemingly off the hook. As a manager, take time to ensure each member of the team has a clear role and responsibility and contributes equally to the outcome. When indications of social loafing or free riding appear, it’s best to deal with the situation early rather than give the appearance that such behavior is acceptable.

- **Risky behavior**: The adage “safety in numbers” might apply here. Groups often make riskier decisions than do individuals working alone because of the perception that vulnerability and accountability are shared between team members. This phenomenon is known as **risky shift**. As a manager, put necessary checkpoints and safeguards in place. These include specifying who’s accountable prior to a decision being made. Also, ask hypothetical questions to ensure all factors have been considered and contingencies have been anticipated. You might even discuss the decisions with one or two members in private to get a clearer assessment without the impact of risky shift.

- **Self-censorship**: Some members of a group ignore realistic appraisals of alternatives in order not to make waves.\(^{29}\) In group decision making, it is difficult to go against...
the tide. If the majority feel one way, it’s not easy to speak up with a different point of view that contradicts the group’s sentiment. This leads individuals to censor themselves and choose not to share important information. As a manager, don’t let the team’s enthusiasm get in the way of sound decision making, which includes gathering data and asking the tough questions before a decision is made.

**Effective Decision-Making Checklist**

- Make small everyday decisions without delay.
- Base important decisions on the real issues, not just those that on the surface appear to be the key factors involved.
- Have several solutions or alternatives and examine each for potential negative consequences before solving a problem.
- Be firm in your selection of alternatives.
- Once you have made a decision and have thought about it for up to 24 hours, carry it out immediately.
- Make sure those involved are given an opportunity to play at least a minor role in helping you make the decision.
- Once your decision is made, communicate in detail how it will involve those who are affected by the decision.
- Explain the rationale for the decisions you made—the “method to your madness” if the decision is contrary to what most thought it would be.

**Ethical Decisions**

Have you ever witnessed someone cheating on a test? Have you ever called in sick when you actually went skiing or to the beach? Have you ever been given too much change and kept it? Every day we face situations where we have to make decisions where there are no apparent, clear-cut rules. For example, concerns about Internet security fraud are on the rise. Securities firms are constantly on the lookout for employees who are involved in insider training. Recent surveys suggest that increasing numbers of applicants lie about their backgrounds in employment interviews. Employees are creating “intellectual capital” during their day jobs and selling their expertise as consultants after hours. And ordinary employees are being entrusted with valuable financial and strategic information to help them make on-the-spot judgments about how to handle difficult situations. Managers and employees are constantly faced with challenges such as these. An ethical framework for decision making is needed.

**Ethical decision making** involves applying principles or standards to moral dilemmas. Asking what is right or wrong, good or bad in business transactions is a basic business ethic. Ethics guide people in making decisions that are not completely based on factors that have already been specified. Ethics can present a different perspective and give a new dimension to decision making. For example, it might be obvious on paper—that opening a new manufacturing center in the remote areas of the Florida wetlands would be profitable due to low cost factors. Yet the detrimental environmental effects on the wetlands would be significant. Should the company open a wetlands plant? It’s legal, but is it “right”? Who should make this decision? The company? Or the people in the area who are advocates for the wetlands? How should this decision be made? Is profitability the only criterion that should be used in making this decision? What should the decision be? Who will be affected by the decision? Who pulls the plug if it’s the wrong decision? These are all ethical considerations that make the decision much more complex than it originally appeared on paper. Your own character, and that of the organization for which you work, are revealed by the types of decisions you make, how you make them, and to what end. Ethical decision making guides you in making decisions that are right not just for you but for those who are affected by the decisions.
What are Ethics?

The word ethics comes from the Greek word ethos, which means a notion of character permeated with values that determine the identity and good or bad of an individual or group.35 “Ethics [is] not so much a matter of right or wrong as it is a process by which an organization evaluates its decisions.”36 The difficulty with ethics is that the situations we face as managers are seldom black and white, with a clear understanding of which answer is the best for all concerned. Each person has a different world view (based on life experiences, education, family background, religious and political affiliations, perceptions, and values) that they bring into the decision-making process. Each person possesses a different “ethical barometer”37 that stems from his or her experience and background. This diversity affects the ethical decision-making process, outcomes, and the ramifications of the decision.

Ethics and character reflect on our true inner self; they determine how we respond to managerial dilemmas. Many choices appear to be minor, but in reality these actions build up over time and set a foundation for more challenging decisions.38 It is important to be aware of the guidelines we use for making small decisions. These guidelines can affect the way we approach larger, more significant decisions in other areas of life and work.

Ethical Dilemmas

Ethics play a part in our decision making whether we are acting as an individual, a group, an organization, or a member within an organization. Ethical dilemmas are situations where we are faced with making a decision that will be based largely on judgments and determinations rather than on indisputable facts. Ethical dilemmas can be the result of gross misunderstanding, values conflicts, cultural differences, conflict of interest, differences based on gender, economic level, religion, age, sexual orientation, upbringing, race or ethnicity, or greed. Examples of ethical dilemmas are exchange of inappropriate gifts, making unwanted sexual advances, discovery of unauthorized payments or overpayments, and hiring an untrained person from a “name” family over a more qualified individual.

An ethical dilemma arises when a manager must choose between his or her own interests and the interests of someone else or some other group. Those with an interest in the outcome of the decision are referred to as stakeholders. As a manager in an organization, it is up to you to take into consideration the needs and interests of all key stakeholders—the employees, customers, suppliers, and shareholders who are affected by the decision—in addition to yourself. Decisions you make reflect not only your values but also the values of the organization you represent. Decisions you make on behalf of your organization carry consequences for the company’s reputation and success in the community.

Benefits of Ethical Decision Making

Many companies today are providing ethical guidelines or codes of conduct for their employees to use when faced with a situation that is not covered by standard policies and procedures. This practice has several benefits listed as follows.

---

**Figure 18-6
Eight Rules of Ethical Thinking**39

1. Consider others’ well-being and avoid actions that will hurt others. Before taking action, ask yourself if anyone stands to be hurt by the action, financially, emotionally, and other ways.
2. Think of yourself as a member of a community, not as an isolated individual. Before taking action, reflect on who will be affected by the decision, positively and negatively.
3. Obey—but don’t depend only on—the law. An action may be legal yet unethical.
4. Think of yourself and your organization as part of society. What you do and how you think affect a larger entity beyond you and your immediate circle.
5. Obey moral guidelines by which you have agreed to live. Consider them “categorical imperatives” with no exceptions.
6. Think objectively. Be sure your action is truly ethical and not rationalized self-interest.
7. Ask, “What sort of person would do such a thing?” Or, “Will I be able to look at myself in the morning after doing X?”
8. Respect others’ customs—but not at the expense of your own ethics.
Customer relations: Employees in companies with ethical guidelines are better prepared to treat customers fairly if a conflict arises. This helps customers to feel they are respected and understood by the employees, resulting in higher levels of customer satisfaction.

Goodwill: By doing the “right thing” consistently, consumers, suppliers and others in the community at large see your organization as a desirable one with which to do business. The ethical reputation of a firm can actually increase its opportunities and sales, as shown by Anita Roddick’s company, The Body Shop.40 Her decision to buy ingredients that might have gone to waste (good for the environment) from countries that are economically depressed (good for society) is praised by many. Employees and customers have noted decisions like these positively impact their continued association with and patronization of The Body Shop. A company’s goodwill also enhances its attractiveness and value to potential acquiring businesses.

Employee satisfaction: Employees in companies with ethical guidelines experience high comfort levels—they are pleased and relieved when they see their organization acting in an ethical way and actively promoting ethical behavior.41

Employee empowerment: Employees in companies with ethical guidelines feel empowered to think clearly about dilemmas at hand, to make decisions clearly, to articulate the rationale for their decisions, and to be supported by senior management if their judgment is questioned.42

Unfortunately, it is a fact that workers often accept unethical actions as the consequence of doing business today. Lapses in ethics are viewed as standard—expected in today’s diverse, complex, and fast-paced world. In one survey, it was reported that 48 percent of workers surveyed said they respond to job pressures by performing unethical or illegal activities.43 The most common unethical behaviors cited were:

- Cutting corners on quality control (16 percent).
- Covering up incidents (14 percent).
- Abusing or lying about sick leave (11 percent).
- Lying to or deceiving customers (9 percent).

It is not easy to raise the ethical consciousness of an organization. Organizations are made up of individuals who may behave in an unethical manner for what they believe are justified reasons. When people are faced with pressures at work and need to make fast decisions, they are not very likely to consult rules, regulations, and policies that often don’t apply to the specific situation with which the employee is dealing.44 This leads to many of the ethical lapses that occur in business today. In addition, organizations themselves might have policies that encourage employees to make unethical decisions. For example, a company might set unrealistically high sales targets, possibly leading some employees to engage in questionable tactics to increase sales to customers.

Making ethical decisions is more a matter of having the right values than a set of rules. To help employees cope with the need to make ethical decisions, organizations must raise the employees’ level of ethical consciousness. This starts by first declaring the organization’s values and expectations, and then laying out guidelines and a decision framework that employees can use when faced with decisions that require use of judgment in addition to adherence to company guidelines. The following are some tools that companies can use to educate employees about ethical decision making.

- Code of ethics: A written statement of values and guidelines for how to treat employees and customers. Codes of ethics provide a tangible description of what the company stands for, what they want to achieve, and the means for achieving their goals. Codes are a good first step in raising ethical issues, although on their own they are insufficient to ensure that organizational ethical standards are followed.45
Ethics test: A series of questions that aids employees in making well-considered judgments about a situation before making a decision. Using this test will not provide one “correct” answer. The test provides criteria to be considered when determining a course of action that is ethical.\(^{46}\) The test has four components:

- The test of common sense: “Does this action I am about to take make sense?”
- The test of one’s best self: “Is this action or decision I’m getting ready to take compatible with my concept of myself at my best?”
- The “light of day” approach or making something public: “How would I feel if others knew I was doing this? Would I be willing to stand in front of my family, friends, peers and be proud to tell them what I had decided to do?”\(^{47}\)
- The test of the purified idea: “Am I thinking this action or decision is right just because someone with appropriate authority or knowledge says it is right?” For example, if an accountant told you it was okay to claim certain entertainment and travel expenses as business expenses, although there is doubt in your mind about the fairness of this determination, do you abdicate responsibility for this decision since the accountant said it was acceptable?

Ethical audit: A broad-based, agreed-upon system that lets an organization consistently focus and refocus on its values and whether its performance is meeting the standards it professes. In an ethical audit, the situational and environmental factors that have significant impact on ethical behaviors and internal policies are analyzed. These audits encourage self-reflection across all levels of an organization and raise ethical consciousness, leading to less unethical or corruptive behavior.\(^{48}\)

Decision-making model: Frameworks that can be used to help employees by giving them a short, step-by-step list of rules they can use to make decisions by taking an ethical course of action.\(^{49}\) Models in ethical guidelines, such as those shown in Figure 18–7, aren’t a guarantee that employees will always act ethically. They are a means to get employees to think through their actions and consider the ethical standards involved when making decisions that affect them and those around them.

Ethics training: For any of the above ideas to work in organizations, companies can offer their employees training about a company’s policies and values and how to incorporate an ethical component into their decisions on an everyday basis. This training can be provided via a manual, a workshop, a Web-based self-directed program, or through one-on-one mentoring and coaching sessions.

**Figure 18–7**
A Sample of an Ethical Decision-Making Model\(^{50}\)

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
</table>
| Step 1: Identify the facts and issues | a. Who will be affected by my decision?  
b. What will be the short- and long-term consequences of possible courses of actions? |
| Step 2: Identify applicable values | a. How will possible courses of action impact potential stakeholders?  
b. What consideration should I have with regard to:  
- The rights of stakeholders?  
- Justice among stakeholders?  
- The short- and long-term balance of good among stakeholders?  
- My gut feeling about what is the “right thing”?  
- What I think those whom I respect for their virtue would judge to be “the right thing?” |
| Step 3: Seek help if needed | a. Which course of action might keep me awake at night?  
b. Can my supervisor or human resources department provide guidance? |
| Step 4: Reach the best decision based on the available information | a. Is my decision legal and within organizational policy?  
b. Do organizational values and my personal values support my decision? |
Summary

We face decisions every day. Some of these are tough—mired in ambiguity, complexity, and ethical considerations—while others are easy. The process by which you make decisions can significantly impact whether the decision is right—effective, ethical, and successful in the long term—for you and those affected by the decision. We provided a process for you to follow when making decisions, as well as approaches and considerations when making decisions as a member of a group. While simple decisions, such as whether to wear a blue or red shirt, may not require a multistep decision process, more complex and consequential decisions do. Your effectiveness as a manager can be greatly enhanced by your ability to make effective and ethical decisions.

Key Terms and Concepts

Analysis paralysis  
Autocratic decision making  
Code of ethics  
Consensus  
Consultative decision making  
Decision making  
Decision-making model  
Dominant members  
Ethical audit  
Ethical barometer  
Ethical decision making  
Ethical dilemmas  
Ethics  
Ethics test  
Ethics training  
Expert member soliciting  
Group decision-making considerations (five)  
Group think  
Majority control  
Minority control  
Risky shift  
Satisficing  
Self-censorship  
Social loafing or free riding  
Stakeholders  
Vroom-Yetton-Jago model

Endnotes

3. Rosemary Kane Carlough, “From the Publisher (The Importance of Communicating Decisions),” HR Focus, July 1999, p. 1.
9. Herbert A. Simon, Models of Bounded Rationality (Cambridge, MA: MIT Press, 1982). It is important to note that satisficing may actually be preferred in certain situations where the decision maker lacks time, money, or access to sufficient data to make a “best” decision. When all information is not available, as in the case of forecasting, satisficing is appropriate and warranted.
12. Ibid.
24. Copyright © 1999, Manufacturer’s Agents National Association, 23016 Mill Creek Road, P.O. Box 3467, Laguna Hills, CA 92654-3467. Phone (949) 859–4040; toll-free: (877) 626–2776; fax (949) 855–2973; Email: mana@manaonline.org; website: www.manaonline.org. All rights reserved. Reproduction without permission is strictly prohibited.
26. Ibid.
28. George P. Huber, Managerial Decision Making (Glenview, IL: Scott, Foresman, 1980).
35. Ibid.
## Exercise 18–A
### Assessing Yourself

<table>
<thead>
<tr>
<th>Exercise 18–A Assessing Yourself</th>
<th>Agree</th>
<th>Neither</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I am able to make decisions and stick to them.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am able to make simple decisions quickly.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. I am able to scan a wide array of information and distill the information I need when making a complex decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. I clarify my purpose before making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I clarify what process I will be using before making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. I take the time necessary when making complex decisions.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. I consider several options before making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. I invite multiple perspectives before making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. I gather the information necessary before making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. I consider the advantages and limitations of each option before choosing a course of action.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. I weigh the possible ramifications of each choice before making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. I list and prioritize the factors that are important to me and use these factors when making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. I take time to reflect on how a decision feels to me intuitively before acting on the decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. I communicate the rationale for my decisions to those who are affected by them.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. When I seek outside counsel, I involve internal group members when making the final decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. I seek input from those involved in a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Those with whom I work feel safe in raising ideas that contradict my own.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. I don’t dominate meetings and ensure that all present have a chance to speak before decisions are made.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. I establish checkpoints and specify who’s accountable for decisions made by my group.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. I have a set of guidelines I use when faced with an ethical dilemma.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. I take into account the needs of all relevant stakeholders before making a decision.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. I make decisions that make sense and are consistent with my “best” self-concept.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. I take responsibility for my actions.</td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If your score is 69 or higher, you might consider creating a plan for increasing your skills in making effective and ethical decisions.
Exercise 18-B
"Forced Choice"
Decision Making

One way to make a decision is to weigh several alternatives and determine which option best meets each of several decision criteria. Working on your own, think of a decision you need to make in the present or will face in the future, such as choosing among multiple job offers, buying a new (or used) car, staying in a steady but unsatisfying relationship.

1. In the left column below, list all factors that are important to you. These are criteria you will be using to compare and contrast multiple options.

2. Across the top of the page list each option you are considering.

3. Then, working across the first row, put an $X$ in the column of the option that best meets each importance factor. Do the same for each successive row, one at a time.

4. Total up the number of $X$s under each option. The option with the most $X$s is the one that meets more of your needs than the others.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4.</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>6.</td>
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<tr>
<td>7.</td>
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<tr>
<td>8.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>9.</td>
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<td></td>
<td></td>
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<tr>
<td>TOTALS</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Sometimes it’s difficult to make a decision in which many variables are involved, all important to you. But since it’s unlikely you’ll be able to make a decision that satisfies all of your needs, weighted averaging gives you a way to differentiate those factors that are more important to you than others and to weigh these differences when analyzing the factors. Working on your own, think of a decision that you need to make now or that you will face in the near future.

1. On a separate sheet of paper, list all of the variables or factors (up to 10) that are important to you in making a specific decision. Identify these factors is to determine what you want to achieve from the decision’s outcome.

2. In the left column below, list these factors in priority order, #1 = most important.

3. Across the top of the page, list each alternative you are considering (up to four alternatives).

4. Start with the first factor. Working across this row, determine which option best meets this factor and assign the number 1 to that option. Then determine the option that next best meets the factor, assigning it the number 2. Continue with this determination using the numbers 3 and 4.

5. Move to the second (and subsequent factors) and repeat step 4.

6. Multiply each cell (#1–4) by the priority number in the corresponding row (#1–10). Note these numbers in each cell.

7. Sum each column. The column with the lowest sum below is the option that best meets your higher-priority needs (your top priority is #1).

---

**Exercise 18–C**
**Weighted Average Decision Making**

<table>
<thead>
<tr>
<th>Factor/Priority</th>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
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<td>3.</td>
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<tr>
<td>4.</td>
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<td>5.</td>
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<td>6.</td>
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<td>7.</td>
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<tr>
<td>8.</td>
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<tr>
<td>9.</td>
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<tr>
<td>10.</td>
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</tr>
<tr>
<td>Sum</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Exercise 18–D

Ethical Stance

Are the following ethical or unethical in your opinion? Why or why not? Consider individually and discuss in small groups.

- Calling in sick when you really are not.
- Taking office supplies home for personal use.
- Cheating on a test.
- Turning someone in for cheating on a test or paper.
- Overcharging on your company expense report.
- Trying to flirt your way out of a speeding ticket.
- Splicing cable from your neighbor.
- Surfing the net on company time.
- Cheating on income tax.
- Lying (exaggerating) about yourself to influence someone of the opposite sex.
- Looking at pornographic sites on the Web through the company network.
- Lying about your education on a job application.
- Lying about experience in a job interview.
- Making a copy of rental video cassette before returning it to the store.

Exercise 18–E

The Gold Watch

The Situation

John is a thirty-five-year-old salesman with Anderson and Sons, Inc., an established wholesaler of office equipment. He lives near Anderson’s headquarters in Chicago with his wife and two adopted children.

On a recent sales tour abroad, John met J.R., an office-equipment supplier who was interested in a line of photocopiers worth $500,000. J.R. told John that he would give John an order for the photocopiers in return for a gold Rolex watch worth $13,000. J.R. showed John the watch he wanted in a catalog, and John said that he would see what he could do.

On returning to Chicago, John told Charles, his boss, about the proposition, asking if he could go ahead and buy the Rolex in order to obtain the order. Charles was outraged and said, “This is immoral! It’s not decent business practice to offer bribes. We’re living in a civilized society. If I find out that you’ve been bribing customers to get orders, I’ll fire you on the spot! Have I made myself clear?”

After the confrontation with Charles, John left the office and drove to the home of Terry, his friend and colleague. He explained his plight and then said, “What can I do, Terry? It’s an important order, and there’s a chance of repeat business; J.R. is interested in office furniture and typewriters as well as more photocopiers in the future.”

Terry thought for a moment and then said, “John, why don’t you finance the deal yourself? Buy the stupid watch and land the contract. With your commission and any future business, you’ll get a decent return on your investment. Don’t even tell Charles; he’s so ridiculously old-fashioned—he has no idea how to do business in this day and age.”

John left Terry’s home, went to his car, thought for a few minutes, and then drove to his bank. Mr. Gray, the bank manager and a close friend of John’s father, listened to John’s reasons for wanting the $13,000 loan. Despite the fact that John’s checking account was overdrawn, he agreed to give John the loan immediately.

The next day John went to a jewelry store near his office and asked a clerk for the specific Rolex watch requested by J.R. While he was waiting for the clerk to bring him the watch, Jane, Charles’ secretary, came into the store to buy a birthday present for her mother. Unobserved by John, she watched as the clerk gave the watch to John in exchange for the $13,000 cash. In her astonishment she forgot about finding a present for her mother, hurried back to Anderson and Sons, burst into Charles’ office, and asked, “How can a salesman who earns $30,000 a year afford a $13,000 watch?”

Charles was furious. He rushed out of his office and found John just returning from the jewelry store. “You’re fired!” he shouted.

“Let me explain . . . ,” muttered John.

“No excuses! I warned you!”

At that moment a Telex came through; it read as follows: “NO LONGER INTERESTED IN THE PHOTOCOPIER DEAL. FOUND ALTERNATIVE SUPPLIER. J.R.”
Instructions

Rank order the following characters from 1 (least objectionable) to 6 (most objectionable):

   ___ John
   ___ J.R.
   ___ Charles
   ___ Terry
   ___ Mr. Gray
   ___ Jane

Source: Adapted from J. William Pfeiffer, Handbook of Structured Experiences Kit, University Associates, 1983, #GTB PS/A-17. Reprinted by permission of John Wiley and Sons, Inc.

Exercise 18–F
Ethical Dilemmas . . .
What Would You Do?

**Individual dilemmas**
- The cashier at the store gives you change for a $20 bill when you only gave her a $10.
- You find a camera in the seat at a movie theater.
- You will lose your sick leave if you do not use it soon. However you are not sick.
- You have software available from work that you could copy onto your home PC.
- You see your close friend’s significant other in a compromising situation with another person. Do you tell your friend?

**Organizational dilemmas**
- You are offered a gift or bribe to close a big sale for a firm.
- You are making a product that has government safety standards. Should you merely meet the standards or exceed them?
- You could set high production goals for your subordinates, knowing that in order to meet these goals they will cut corners on quality.

Exercise 18–G
Try This . . .

1. Watch a TV show or a movie such as *Wall Street, Working Girl, Norma Rae, Silkwood, The China Syndrome, Saving Private Ryan, Nick of Time, Fail Safe, The Great Gatsby, The Hunt for Red October, Airforce One, Crouching Tiger, Hidden Dragon, Chocolat, Remember the Titans, The Negotiator*. What ethical dilemmas do the protagonist and antagonist face? How does each deal with the situation? What decision factors are used to make decisions? How is the situation resolved to take into consideration the needs of all involved (or is it)?

2. The next time you’re in a group situation and an ethical dilemma arises, watch the group to see how the decision is made. What factors are considered? Is an ethics test applied? How is the decision made? Is it the right one? How do you know?
Exercise 18–H Reflection/Action Plan

This chapter focused on ethical decision making—what that is, why it’s important, and how to improve your skill in this area. Complete the worksheet below upon completing all reading and experiential activities for this chapter.

1. The one or two areas in which I am most strong are:

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

2. The one or two areas in which I need more improvement are:

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

3. If I did only one thing to improve in decision making, it would be to:

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

4. If I did only one thing to improve in ethical decision making, it would be to:

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

5. Making these changes would probably result in:

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

6. If I did not change or improve in these areas, it would probably affect my personal and professional life in the following ways:

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________