THE DECISION-MAKING PROCESS

- We are all faced with difficult decisions in our work and in our personal life.

- Most of us have developed a decision-making process that we execute automatically, without thinking about the steps we go through.

- For many of us, the process generally follows the following steps :
  - Develop Problem Statement
  - Identify alternatives
  - Evaluate and choose alternatives
  - Implement decision
  - Evaluate results

Ethical Dilemma

What is an Ethical Dilemma?

- An ethical dilemma (ethical paradox or moral dilemma) is a problem in the decision-making process between two possible options, neither of which is absolutely acceptable from an ethical perspective. Although we face many ethical and moral problems in our lives, most of them come with relatively straightforward solutions.

- On the other hand, ethical dilemmas are extremely complicated challenges that cannot be easily solved. Therefore, the ability to find the optimal solution in such situations is critical to everyone.

- Every person may encounter an ethical dilemma in almost every aspect of their life, including personal, social, and professional.

- How to Solve an Ethical Dilemma?

- The biggest challenge of an ethical dilemma is that it does not offer an obvious solution that would comply with ethics or norms. Throughout the history of humanity, people have faced such dilemmas, and philosophers aimed and worked to find solutions to them.

- **The following approaches to solve an ethical dilemma were deduced:**

1. *Refute the paradox (dilemma): The situation must be carefully analyzed. In some cases, the existence of the dilemma can be logically refuted.*

2. *Value theory approach: Choose the alternative that offers the greater good or the lesser evil.*

3. *Find alternative solutions: In some cases, the problem can be reconsidered, and new alternative solutions may arise.*

- *Examples*
- *Some examples of ethical dilemma include:*
- *Taking credit for others' work*
- *Offering a client a worse product for your own profit*
- *Utilizing inside knowledge for your own profit*

- [The Decision-Making Process](#)

- The following sections discuss this decision-making process further and point out where and how ethical considerations need to be brought into the process.

Ethical Decision Making Model
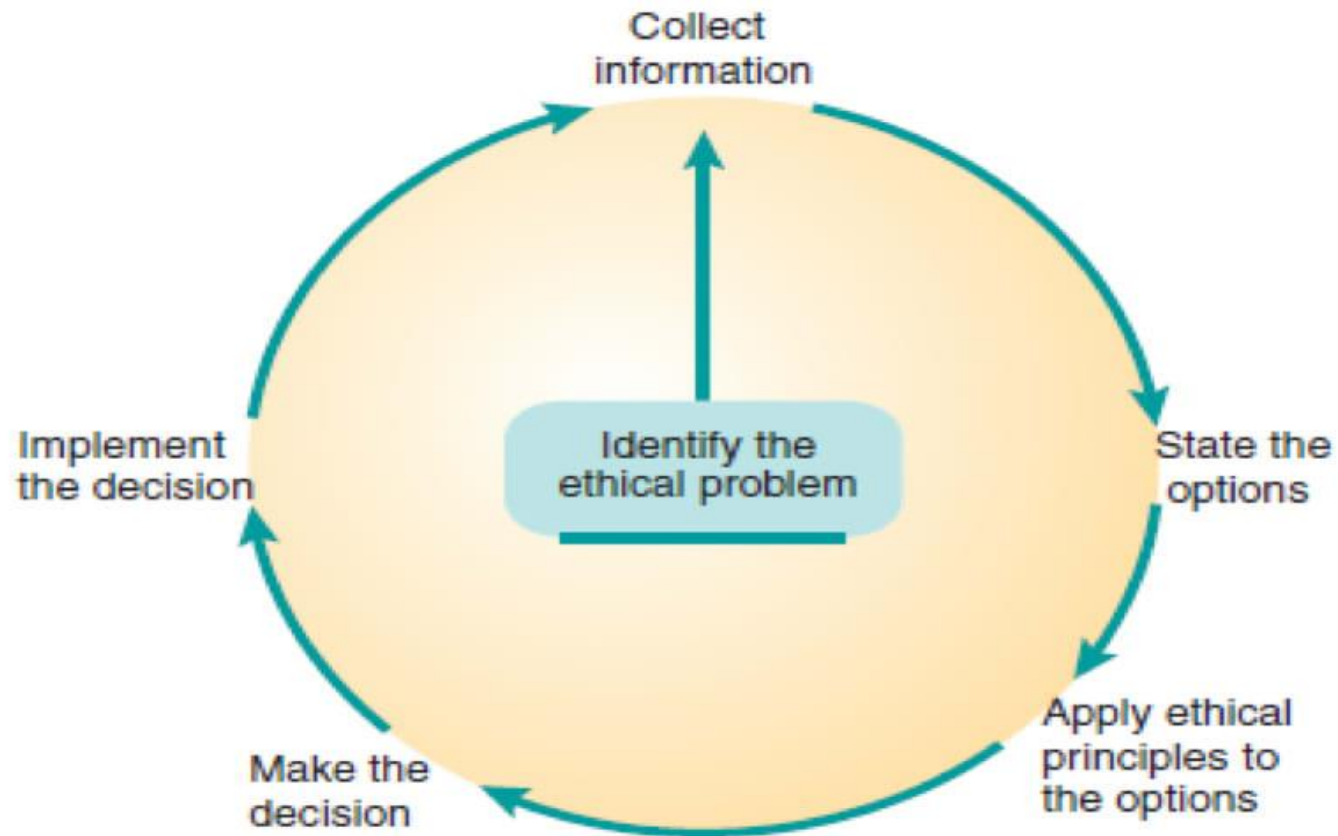
Step -1: Developing a Problem Statement

- A problem statement is a clear, concise description of the issue that needs to be addressed. A good problem statement answers the following questions:
  - What do people observe that causes them to think there is a problem?
  - Who is directly affected by the problem?
  - Is there anyone else affected?
  - How often does the problem occur?
  - What is the impact of the problem?
  - How serious is the problem?
- Development of a problem statement is the most critical step in the decision-making process.
- Without a clear statement of the problem or the decision to be made, it is useless to proceed.
- Obviously, if the problem is stated incorrectly, the decision will not solve the problem.

- You must gather and analyze facts to develop a good problem statement.
- Seek information and opinions from a variety of people to broaden your frame of reference.
- During this process, you must be extremely careful not to make assumptions about the situation.
- Simple situations can sometimes turn into complex controversies because no one takes the time to gather the facts.
- For example, you might see your boss receive what appears to be an employment application from a job applicant and then throw the application into the trash after the applicant leaves.

- This would violate your organization's policy to treat each applicant with respect and to maintain a record of all applications for one year.

- You could report your boss for failure to follow the policy, or you could take a moment to speak directly to your boss.

- You might be pleasantly surprised to find out that the situation was not as it appeared.

- Perhaps the "applicant" was actually a salesperson promoting a product for which your company had no use, and the "application" was marketing literature.

- Part of developing a good problem statement involves identifying the stakeholders and their positions on the issue.

- Stakeholders often include others beyond those directly involved in an issue.

- Identifying the stakeholders helps you understand the impact of your decision and could help you make a better decision.

- Unfortunately, it may also cause you to lose sleep from wondering how you might affect the lives of others.

- However, by involving stakeholders in the decision, you can work to gain their support for the recommended course of action.

- Find out:
  - What is at stake for each stakeholder?
  - What does each stakeholder value, and what outcome does each stakeholder want?
  - Do some stakeholders have a greater stake because they have special needs or because the organization has special obligations to them?
  - To what degree should they be involved in the decision?

The following list includes one example of a good problem statement as well as two examples of poor problem statements:

- Good problem statement:

  Our product supply organization is continually running out of stock of finished products, creating an out-of-stock situation on over 15 percent of our customer orders, resulting in over ₵3,000,000 in lost sales per month.

- Poor problem statement:

  We need to implement a new inventory control system. (This is a possible solution, not a problem statement.)

- Poor problem statement:

  We have a problem with finished product inventory.(This is not specific enough.)

- **Step-2: Identifying Alternatives**
- During this stage of decision making, it is ideal to enlist the help of others, including stakeholders, to identify several alternative solutions to the problem.
- Brainstorming with others will increase your chances of identifying a broad range of alternatives and determining the best solution.
- On the other hand, there may be times when it is inappropriate to involve others in solving a problem that you are not at liberty to discuss.
- In providing participants information about the problem to be solved, offer just the facts, without your opinion, so you don't influence others to accept your solution.
- During any brainstorming process, try not to be critical of ideas, as any negative criticism will tend to shut down the discussion, and the flow of ideas will dry up. Simply write down the ideas as they are suggested.

Step-3: Evaluating and Choosing an Alternative

- Once a set of alternatives has been identified, the group must evaluate them based on numerous criteria,
  - such as effectiveness at addressing the issue,
  - the extent of risk associated with each alternative,
  - cost, and time to implement.
- An alternative that sounds attractive but that is not feasible will not help solve the problem.
- As part of the evaluation process, weigh various laws, guidelines, and principles that may apply.
- You certainly do not want to violate a law that can lead to a fine or imprisonment for yourself or others. Are there any corporate policies or guidelines that apply?

- Does the organizational code of ethics offer guidance?
- Do any of your own personal principles apply?
- Also consider the likely consequences of each alternative from several perspectives:
- What is the impact on
  - you,
  - your organization,
  - other stakeholders (including your suppliers and customers),
  - and the environment?
- The alternative selected should
  - be ethically and legally defensible;
  - be consistent with the organization's policies and code of ethics;
  - take into account the impact on others; and, of course,
  - provide a good solution to the problem.

- Philosophers have developed many approaches to aid in ethical decision making. The most common approaches, which we refer to as ethical theories or principles are treated.
- **They are;**
  - **Subjective Relativism**
  - **Cultural Relativism**
  - **Divine command Theory**
  - **Virtue Ethics**
  - **Kantianism**
  - **Act Utilitarianism**
  - **Rule Utilitarianism**
  - **Social Contract Theory**

- It is worthwhile noting that people who take the ethical point of view may still disagree over the proper course of action to take in a particular situation. The reasons being that
  - People may not agree on the facts of the matter or
  - They may be using different value judgments which may lead them to opposite conclusions. This is usually caused by the use of different ethical theories to evaluate the problem.
- These ethical theories provide a framework for decision makers to reflect on the acceptability of their actions and evaluate their moral judgments.

- People must find the appropriate balance among
  – all applicable laws,
  – corporate principles, and
  – moral guidelines

to help them make decisions.

Step-4: Implementing the Decision

- Once an alternative is selected, it should be implemented in an efficient, effective, and timely manner.
  - This is often much easier said than done, because people tend to resist change.
- In fact, the bigger the change, the greater is the resistance to it.
- Communication is the key to helping people accept a change.
- It is imperative that someone whom the stakeholders trust and respect answer the following questions:
  - Why are we doing this?
  - What is wrong with the current way we do things and what are the benefits of the new way for you?
- A transition plan must be defined to explain to people how they will move from the old way of doing things to the new way.
- It is essential that the transition be seen as relatively easy and pain free.

Step-5: Evaluate the Results

- After the solution to the problem has been implemented, monitor the results to see if the desired effect was achieved, and observe its impact on the organization and the various stakeholders.

- Were the success criteria fully met?

- Were there any unintended consequences? This evaluation may indicate that further refinements are needed. If so, return to the problem development step, refine the problem statement as necessary, and work through the process again.

- THANK YOU