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MGMT 5  
Due: 5/6/10

### Intel Israel Case Study

1) Do you agree with Don Frohman's decision in advance of the actual missile attacks to keep running Intel up and running? What about after the actual missile attacks began?

Before I can agree or disagree with Don Frohman's decision to remain open before and after the attacks occurred, there are a many factors to analyze. Prior to the first attack, nothing like this has ever happened previously to Don Frohman, I would assume, so this decision he would make would be a non-programmed decision. He would not be able to look back to what other managers had done in a similar situation like he could with a programmed decision. It is also important to recognize the time frame given to Don to make his decision. Don needed to make a decision immediately because there was no sign of when the missile attacks would occur. The only information he could gather was that Iraqi Scud missiles, which may or may not be laden with chemical warheads, were aimed in his direction, and were ready to be fired at any moment.

After gathering relevant information, Frohman would have had to weight his priorities in order to come up with reasonable alternatives. He had to weight losing his employees to a missile attack versus losing his business to competitors. If he closed down the plant to protect the safety of his employees, then he would lose business across seas to his competitors even before the missiles were launched. However if he remained open and in full production to keep his business across seas, the missile attacks could lead his employees to injury or death on their commute to work. A situation like that could cause

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Don to lose a great deal of money to workers benefits as well as to his business across seas and to his reputation as an effective manager.

On a business managerial level, I believe Don made a great decision in compromising his alternatives to remain open and to encourage, not force, employees to come to work. Being able to make a compromised decision in a highly pressured environment like this one shows that he is an effective manager.

After the attacks however, this would have been a bad decision. By remaining open with the knowledge that there was an attack is risky. The moral rights approach to making an ethical decision would consider that a person's life is always more important than a business. In this case, he is putting his business before his employees safety by allowing them to come to work. He most likely stuck with his first decision because he felt the effects of escalating commitment. In this type of situation, people are looking for a leader who doesn't change his mind all the time. This is where the norm for consistency puts pressure on his decision. He also stuck to his first decision because retrospective rationality made him believe that since nothing bad happened on the first attack, it is probably safe to stay in operation. This also plays a role in prospective rationality because he probably also believed that "prosperity was just around the corner" and that the attacks would soon be over.

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2) Do you agree with Frohman should have made the decision to remain open or close or should executives at Intel's corporate headquarters have made it?

I agree that Frohman should have made the decision and not the executives at Intel's corporate headquarters. A decision like this needed to be made quickly and proactively. Having executives at the headquarters across seas would be a lengthy process since the executives are so far away. Decisions made by executives, assuming that there are a group of executives, could also fall victim to groupthink. This would lead to poor solutions and also exclusion of outsiders' opinions such as Frohman and other people in Israel. Another important factor in influencing effective decision-making is the environment in which the decision takes place. The executives are not in the same environment as Frohman, which could lead to ineffective decision-making. I believe that Frohman should take the executives' opinions into consideration before making a decision because this would be additional information that could be relevant to the process, but I do not believe that the executives should make the final decision.

3) What Criteria would you have considered if you were in Frohman's position? How would you have weighted these factors?

If I were put in Frohman's position, I would first want to find out as much information as possible and as soon as possible in the given time frame. I would then gather a small group of managers, not a large one, to help with the elimination of alternatives. I would not want a large group because the larger the group, the slower the decision making process and in this situation, time is short. I would not ask the employees

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to join in either because there would be too many conflicting opinions which would slow down the decision making process even more. Further more, the workers input would most likely be irrelevant criteria that would not contribute positive results to the process. I would then weight the factors. I believe workers safety and families are far more important than having a business stay in business. People can always find new jobs if the company goes out of business, but they can only live once to have that opportunity. I probably wouldn't have come up with a great of a compromise as Frohman did, but I after reading about that, I would chose that compromise. After the first attacks however, I would shut down operation and have everyone stay home because I weighted employee safety more than staying in business.