

# APPENDIX **A** **SAMPLE ETHICAL DECISION-MAKING MODEL**

*This appendix outlines a step-by-step procedure for ethical decision-making by the responsible business enterprise. It is based on a number of approaches that are detailed in the works cited at the end of this appendix.*

## **Preliminary Considerations**

There are at least five matters that a decision-maker must be clear about in his or her own mind when beginning the formal process of ethics and policy decision-making:

1. What motivated the need for choice?
2. Is the decision-maker framing a question, developing an argument, or deciding how to act?
3. For purposes of this choice only, what can be reasonably assumed to be true?
4. What are the applicable enterprise core beliefs, standards, procedures, and expectations?
5. What will constitute a quality judgment or quality action under those circumstances?

## **Outcomes-Based Decision-Making**

**Step 1:** Identify the desired result.

- A vision of a desired future?
- A question to pursue?
- An argument to support a position?
- A resolution of a dilemma?
- A solution to a problem?

Describe the desired result clearly. If it is to solve a problem, be sure there is a problem, not just a symptom.

**Step 2:** Describe the conditions or criteria that the result must meet to be satisfactory. List the essential criteria for a successful outcome, as well as the other conditions that it would be desirable for a result to meet:

- Minimum essential criteria include that the result be a quality judgment or quality action that is feasible, suitable, and cost-acceptable, specifically taking into account opportunity cost.
- An organizational essential requirement is that the result be consistent with the enterprise's core beliefs: its purpose, values, and envisioned future.

Include the specific enterprise standards, procedures, and expectations that might apply at all four levels of identity: compliance, risk management, reputation enhancement, and value added.

**Step 3:** Identify all stakeholders—that is, those who are involved in, affected by, or in a position to influence the decision-making process or the result.

- Determine their relationships.
- Analyze cultural differences, using Hofstede or another approach.
- Analyze organizational culture differences.
- If the decision is an organizational or community decision, categorize the stakeholders as either internal or external.
- Prioritize among the stakeholders.

**Step 4:** Search for all reasonably promising results and list them:

- Use brainstorming.
- Consider the points of view of as many stakeholders as possible.
- Use different frames of reference to develop new and better ways of looking at the decision.
- Ask, “What else is possible?”

**Step 5:** Obtain all the relevant facts concerning the extent to which each of the proposed alternatives would or would not meet the criteria for an acceptable result—or be likely to do so. Consider stakeholders' viewpoints:

- What are the stakeholders' perspectives?
- How do they understand the facts of the matter?
- What do they value concretely and in the abstract?
- What do they understand the key concepts to mean?

**Step 6:** Evaluate all the alternatives by examining them in terms of the criteria or conditions that a result must meet (*essentials*) and also in terms of those that are considered desirable (*desirables*):

- What alternatives best meet the criteria of the desired result?
- What are the numbers behind the alternatives? What will they cost? How probable are they? How long will they take? How long will they last?
- Are they feasible, suitable, and cost-acceptable?

After evaluating each alternative, ask, “And then what?” Expect there to be at least one unwanted consequence. Be prepared to support your evaluations with reasons and justifications.

**Step 7:** Compare the alternatives, and choose the one that best meets the essential and desired criteria:

- First, eliminate all the alternatives that do not meet the essential conditions.
- Then eliminate, progressively, those alternatives that meet the desirable conditions least satisfactorily.
- Remember that the object is to make a good choice with the information available, not to make a perfect choice.

**Step 8:** Carry the choice forward:

- Share the vision.
- Pursue the question.
- Make the argument.
- Act on the resolution.
- Begin implementing the solution.

Ethics and policy choices presume action, though a decision to do nothing when one has the power to act is also action. Find the courage to act on the hard choices. Take responsibility for the choice, the action required to take it forward, and the consequences. Be willing to be held accountable—and to hold others accountable.

**Step 9:** Reflect on the consequences of the choice and the actions implementing it. Learn from both the processes and the consequences:

- What questions are raised?
- What arguments can be made for staying the course or changing?
- What could have been done better in arriving at the result?
- What could have been done better in implementing the result?
- What did you learn from the processes and the consequences?

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