



Unit - 15

Business Ethics for the Office

Learning Outcomes

By the end of this unit the learner will be able to:

Unit 15

Introduction to Business Ethics

What are Ethics?

Defining Ethics and Morals

Test your Knowledge

What are ethics?

What are morals?

What is an ethical decision?

The Grey Area

The problem is that everyone sees right and wrong in different ways. For example, in North America it is considered wrong to treat women different from men. In other cultures, this is perfectly acceptable and expected. Similarly, in North America bribery in business is illegal. In other cultures, again, this is perfectly acceptable and even expected.

Values Identification

Step One: Identifying Your Values

The list below reflects some common values. **Choose the ten that are most important to you** as a person (meaning that they apply both at work and at home). You can customize the wording, or add your own to the list.

Ability to make decisions and implement them	Ability to persuade and influence others	Achieving excellence
Achieving fame and recognition	Adventure and excitement	Behaving ethically
Being challenged by pressures and deadlines	Being organized and dependable	Being skilled and capable
Building a family	Building meaningful relationships with others	Competition with others
Contributing to society	Cooperation with others	Demonstrating expertise
Diversity in daily tasks	Doing something meaningful	Efficient and effective
Enjoying what you do	Environmental rights	Establishing a reputation
Expressing creativity	Feeling excited and stimulated by life	Feeling independent
Feeling of belonging and community	Feeling of inner harmony	Feeling of patriotism
Financial security	Financial wealth	Free speech/human rights
Freedom to set your own pace and goals	Having a feeling of security	Having power and control
Having privacy	Helping those in need	Religion and/or spirituality
Leading others to success	Moving at a fast pace	Moving at a slow pace
Being productive	Reliability	Self-development
Sense of accomplishment	Serving the public	Spontaneity

Truth and integrity	Working as part of a team	Working individually

We cannot focus on too many things at one time and remain effective, so look at the ten values you selected and **select the five that are most important** to you. Cross the others off. Be firm with yourself if you need to be. Remember, you are focusing on what is really important to you.

Next, **reduce the list to just three values**. These are the things at your very core. Cross the other two off your list. Put circles around the three items that are your core values.

Write your three top values below.

Bringing It All Together

Step Two: Defining Your Values

Now, outline what success for each of those values would look like.

Value One

Value Two

Value Three

Step Three: Put It All Together

Finally, bring the three statements together into one paragraph. You may feel that you need to go back and re-evaluate your values, or you may want to re-work some sentences to create what is meaningful to you. That's OK! Above all, this should be a reflection of your innermost thoughts and a roadmap for how you would like to conduct your life and your work.

Write your final value statement below.

Taking Your Moral Temperature, Part One

Instructions

Before we get into a discussion of how to resolve ethical dilemmas, let's consider how you think you would respond to these situations. As well, write down the things you considered when making your decision.

Scenario One

Your supervisor is home sick. He called you to ask you to tell anyone that asks that he is on a business day trip.

What would you do?

Scenario Two

You have found out that a particular team in your company will be laid off in six months. This is completely confidential and you're not supposed to know. However, your best friend is on that team. She just found out that she is pregnant, so she and her husband are planning to buy a home in the next few months.

What would you do?

Scenario Three

Money is tight and your spouse's birthday is coming up. One of your clients offered you free tickets to a major gala coming up, complete with a hotel room. The problem is that your company prohibits accepting these kinds of gifts.

What would you do?

Scenario Four

Two people on your team are secretly having an affair. They're both married and company policy prohibits inter-office dating.

What would you do?

Why Bother with Ethics?

Many people don't see the financial payoff for ethical behavior. Why give up that extra \$200 a month in false business travel expenses? The company doesn't need it and you do. Why not inflate your sales report for the year? It might mean a promotion.

In fact, there are several ways that ethical behavior can actually make your company money.

Customers choose ethics.

Customers will base their decision whether or not to shop with you partially on ethics. Think about it this way. If you had a choice between two car salespeople, one who has a reputation for selling stolen vehicles and one who has a reputation for ensuring that the customer gets all the information about a vehicle's past, which would you choose?

Customers appreciate ethics.

Let's say you've purchased a television from a local electronics store. The company calls you back the next day to let you know that you actually overpaid for the TV and that a check for the overcharged amount is in the mail. You'd probably be stupefied. Who admits their mistakes, especially when it costs them money? But the next time you wanted to make an electronics purchase, you would probably remember that incident and go back to that store. Customers reward ethical companies with loyalty.

Employees are more loyal to an ethical company.

If you're working for a company that lies, cheats, and steals, you're apt to think that the company will do the same to you, and you'll probably be less loyal to them as a result.

Ethical companies are more productive.

At one time or another, most of us have taken a sick day when we're really not sick. This is, in essence, lying to and stealing from the company. (Yes, sick days are a benefit of being an employee, but they do cost the company money and must be used wisely.) Studies have shown that employees in ethical offices take less time off and are more productive when they're in the office (probably because they're not gossiping and doing other unethical things!).

An ethical office means lower legal costs.

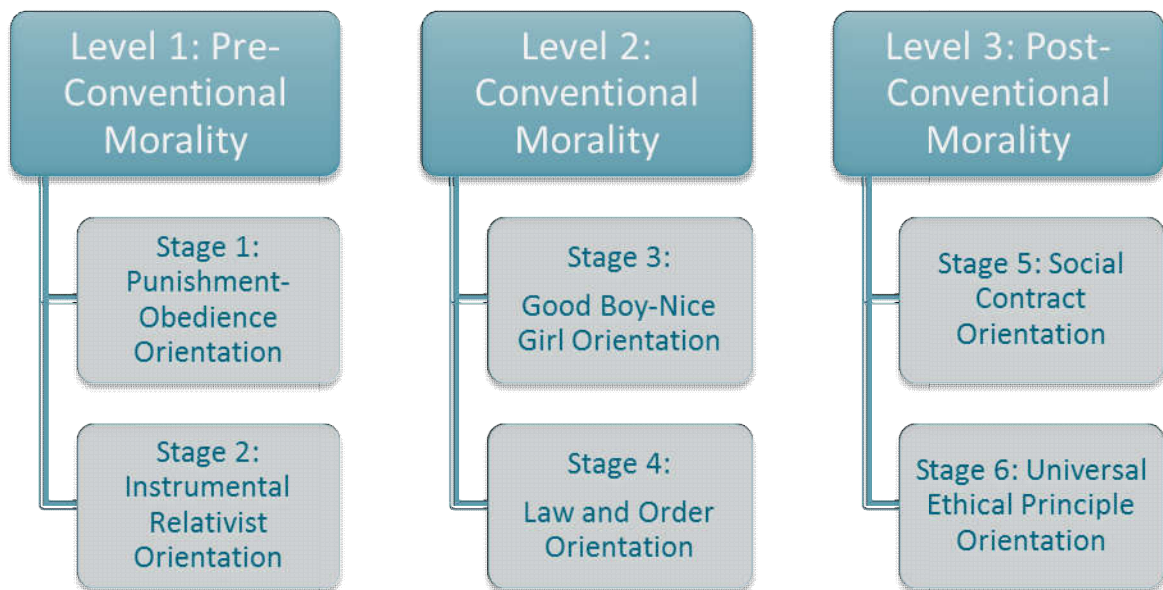
If your employees are in the habit of lying, cheating, and stealing, someone is going to get caught eventually and it will likely mean a big legal headache (and a big bill) for the company. Nipping unethical behavior in the bud can reduce your chances of a lawsuit.

Kohlberg's Six Stages

The Six Stages and Three Levels

Model Overview

In the early 1950's, psychologist Lawrence Kohlberg was a pioneer in the study of moral development. After over 20 years of study, he concluded that there are six main stages of moral development that fall into three levels.



(This interpretation is taken from *Moral Development: A Guide to Piaget and Kohlberg*, by Ronald Duska and Mariellen Whelen.)

There have been entire books written on this theory, but for our purposes, it isn't necessary to go into the deep ramifications of this study. Let's summarize Kohlberg's findings for you.

Level One: Pre-Conventional Morality

During these two stages of moral development, the person sees rules as something imposed on them. Moral decisions also often self-centered and based on the possible consequences of an action. Fear is often the motive for actions.

Children are often at these two stages in their early years. For example, a child may know not to harm their sibling because s/he will get in trouble and there will be unpleasant consequences.

Level Two: Conventional Morality

During these two stages of moral development, the person sees rules as something to be valued in and of themselves. The norms of their family, friends, and peers override the individual's motivations.

Teenagers are often at these stages; they will do something because their friends are doing it and it is a cultural norm. Adults are often at this stage as well; they will behave in a certain way because it is how they have been raised or in accordance with the law.

Level Three: Post-Conventional Morality

During these two stages, the person becomes capable of reflecting on and evaluating the norms and values of their society. At the first stage, the person becomes aware that there are many different value sets and norms around the globe and commits to valuing each one equally. They will emphasize a fair way of recognizing all sets of values and norms when making decisions.

At the second stage of this level, the person develops a set of moral principles chosen for their logistic value and universal application. These general principles act as the overriding foundation for all other moral principles.

Example

Let's say that a person is contemplating harming another individual. If the person is at the first level of moral development, they may refrain from harming another individual because they are afraid of the societal consequences (such as jail).

If the person is at the second level of moral development, they may refrain from harming another individual because they know that it is not an acceptable behavior. They may think, "What will my friends and family think if I go through with this?"

If the person is at the third level of moral development, they may refrain from harming another individual because they have developed a moral principle that states that each human life is valuable, regardless of that person's actions or station in life. They are guided not by laws or societal norms, but by their own set of moral principles.

Different Levels for Different Situations

We should note that a person can be at different stages at the same time. For example, let's say that Bob is committing minor theft at the office but he recently refrained from cheating on his spouse.

His logic for stealing at the office is, "It's only a few pens and pieces of paper. No one will notice." Bob is at Level One here; there are no consequences to stop his behavior. Without fear, there is no motivation for making an ethical decision.

However, his logic for not cheating on his spouse is, "Marriage is a sacred institution and must be respected at all times." Bob is at Level Three here; theoretically, he could cheat and keep it a secret, avoiding punishment. (If he were at Level One, he may have made this type of decision.) He could also reason, "All my friends are doing it; it's almost the norm these days." (If he were at Level Two, he may have made this type of decision.) Instead of his decision being governed by threats of punishment or societal norms, he made an independent decision based on a pre-existing moral principle.

Identifying Stages

Scenario One

Jacob was out gambling and lost a significant amount of money. He considers taking it from the savings account he shares with his wife. He decides not to because he knows she will be very angry with him.

Level of Development

Decision at Level One

Decision at Level Two

Decision at Level Three

Scenario Two

Mohammed is a judge in a court system where he must be re-elected every year. He recently had to make a decision in a case of theft: should the person be sentenced to life in jail or executed? Mohammed knew that in similar cases, the guilty person had been executed. He also knew that there would be significant backlash from the voters if he let this person live. Despite the pressure, Mohammed chose to sentence the guilty person to life in jail.

Level of Development

Decision at Level One

Decision at Level Two

Decision at Level Three

Scenario Three

Mona recently witnessed another company employee taking food from the vending machine without paying. She didn't say anything, reasoning that everyone does it at times and this person must be in need.

Level of Development

Decision at Level One

Decision at Level Two

Decision at Level Three

Philosophical Approaches to Ethics

An Introduction to Philosophy

Over the years, there have been many philosophers who have attempted to define a system for making rational decisions. We're going to cover a few of them. These tools may help you in some situations, but be warned, all have been criticized at some point in time, and none are perfect.

The Golden Rule

This maxim dates back to antiquity: "Do unto others as you would have them do unto you." The central idea is that everyone wants to be treated well, but the problem is that everyone has different standards

of behavior. How I might want others to treat me may not be the same as how others want to be treated.

The Golden Mean

This philosophy was developed by ancient Greek philosopher Aristotle. He believed that the key to ethical behavior is moderation. For example, acting rashly isn't a good idea, but neither is being a coward. The virtuous behavior would be courage, which is the halfway point between the two.

Utilitarianism

Boiled down, utilitarianism means choosing the solution that has the most benefit and least cost to society. This philosophy originated in England in the 19th century.

There are a few key problems with this philosophy. The first problem is deciding what factors to weigh: purely financial, purely social, or a combination. The second problem is deciding what a benefit is and what a cost is. Third, this theory doesn't allow for human factors, such as exceptions or extenuating circumstances.

The Categorical Imperative

18th century philosopher Immanuel Kant believed that there was one rule everyone should live by: "Act only according to that maxim by which you can at the same time will that it should become a universal law."

Basically, Kant is saying that if you make a rule once, that rule should apply forever. So, if you impose the rule, "Stealing is wrong," once, that rule must apply for all time, and so must its consequences.

There are obvious problems with this approach, too. It clearly doesn't allow for moral development (say, if you change your mind later) or for exceptions.

Utopianism

This philosophy offers the basic creed that everyone's needs and rights should be fulfilled. While this sounds nice, it is impractical. For example, a drug company has the need to make money, but a mother of five needs drugs for her children, which she cannot afford. How do you fulfill the needs and rights of both?

Applying Philosophical Approaches

Resolve each situation using the tools that we just discussed.

Scenario One

Your chief engineer has just discovered a potentially major problem with your latest SUV, the Rollover. In certain situations, the SUV will lose its braking power. The engineer estimates it will cost about \$2 million to fix this problem. The lawyer estimates that lawsuits will be minimal and should only cost the company about \$250,000. In the past, issues like this haven't caused the company significant legal problems and the vehicles have been produced even with known issues.

Golden Rule

Golden Mean

Utilitarianism

Categorical Imperative

Utopianism

Scenario Two

You've just had an opportunity to outsource production of your Rollover SUV to a small offshore company. This will reduce production costs from \$5 million a year to \$2 million a year. You've had confidential reports that this small offshore company pays employees very little, and some reports even indicate that the employees may be victims of slavery.

Golden Rule

Golden Mean

Utilitarianism

Categorical Imperative

Utopianism

Scenario Three

Your assistant has just confessed to pilfering \$500 from the company's petty cash fund. Your options include prosecution (which will cost thousands of dollars) or restitution and resignation by the employee (which will cost the company nothing).

Golden Rule

Golden Mean

Utilitarianism

Categorical Imperative

Utopianism

Scenario Four

You were cleaning up your son’s room and you found a book from a school he attended several years ago. It will cost you approximately \$50 to mail it back, and you’ll have to take this money out of your grocery budget.

Golden Rule

Golden Mean

Utilitarianism

Categorical Imperative

Utopianism

Scenario Five

You’re walking down the road when you spot a mugging taking place. What do you do?

Golden Rule

Golden Mean

Utilitarianism

Categorical Imperative

Utopianism

What Does Ethical Mean?

Merck Pharmaceuticals

River blindness has long been a problem in many African countries, as well as parts of Central and South America. It is an insect-borne disease that causes blindness and severe itching. (Some people have reportedly committed suicide because the itching is so terrible.) The disease is so prevalent that, according to the World Health Organization, it is the world's second leading infectious cause of blindness. In 1979, a scientist for Merck Pharmaceuticals discovered that one of the company's best-selling veterinary drugs, Ivermectin, might cure this terrible illness that had blinded millions.

However, there were several problems with this discovery.

- Developing a drug suitable for humans would take years and millions of dollars.
- The drug might be sold into the black market and reduce the profits of the veterinary drug, harming Merck's financial viability.
- Developing a way to get the drug to the afflicted areas and people would be costly and difficult, as there were no systems in place.

Despite the challenges, Merck went ahead and developed a human version of Ivermectin, called Mectizan, at their own cost. They also worked with the WHO, the World Bank, UNICEF, and other governmental agencies to get the treatment to those in need and to ensure it did not appear on the black market. To date, Merck has treated 530 million people with Mectizan for river blindness. They have also given Mectizan to millions to prevent another prevalent disease, elephantiasis.

Merck has made no direct profit from this 20-year effort, yet has mandated that they will continue to donate their product. The reason? Merck management felt (and still feels) that they have a moral obligation to help people. (Wisely, they don't deny that the positive publicity might help their business.)

Sources:

- Merck website (<http://www.merck.com>)
- WHO website (<http://www.who.int>)
- *Business Ethics: Concepts and Cases* by Manuel G. Velasquez

Decision Analysis

Do you think Merck made an ethically correct decision? Why or why not?

Perspective One: A Merck Stockholder

You have a significant portion of your life savings in Merck stock. You have heard that the company has embarked on a significant charitable venture. Stock prices have fallen because of this, and so far you have lost over \$100,000.

Based on your point of view, was the decision to go ahead with the Mectizan project an ethical one?

Perspective Two: A Merck Employee

As an employee of Merck, part of your compensation is in Merck stock. You also receive a yearly bonus based on the company's profits. Profits have fallen, reducing both your bonus and your stock's value.

Based on your point of view, was the decision to go ahead with the Mectizan project an ethical one?

Perspective Three: A Drug Recipient

At the age of 34, you have lost three family members to river blindness, reducing your family's income by 60%. You personally had the disease, but treatment with Mectizan halted blindness, enabling you to work. It has also saved your children from the disease, helping to ensure the family's financial future.

Based on your point of view, was the decision to go ahead with the Mectizan project an ethical one?

Perspective Four: Philosophical

The cost of developing Mectizan was approximately \$150 million. The approximate financial value to nations that received this drug is \$3 billion. The approximate cost to shareholders and employees was about \$500,000, although this may have been recouped in recent years.

Based on a utilitarian point of view, was the decision to go ahead with the Mectizan project an ethical one?

What about a utopian point of view?

(Note: The figures in Perspective Four are fictitious and have been included to provoke discussion.)

Avoiding Ethical Dilemmas

Some Easy Strategies

Wouldn't it be great if you never got yourself in another ethical quandary? While we can't guarantee that these tips will offer a 100% success rate, they should help you reduce the number of dilemmas you find yourself in.

Make sure ethical expectations are clear.

Discuss ethical dilemmas with your supervisor before they occur. Have a discussion of hypothetical situations, including:

- What do I do if I find out confidential information that could affect you, but that is supposed to remain hidden from you?
- What if you ask me to sign your name to some documents, and I sign documents that I wasn't supposed to?
- What if your supervisor asked you to perform some financial transactions for you?

You should also make sure your values are clear to your supervisor. If you think lying is always wrong, say so. Setting boundaries up front helps to ensure you stay within your ethical comfort zone.

Don't just say yes.

Avoid the knee-jerk reaction to say yes when your supervisor asks you to do something. Consider the request (even if it's just for a few seconds) before you commit to an action. If you need more time or information before making a decision, say so.

Learn to say no.

If someone asks you to do something that you think is (or could become) something unethical, say no. A good way to decline without lying is to say, "I'm not comfortable doing that," or, "I'm not comfortable with that approach."

Don't be the frog.

If you put a frog in boiling water, he will jump out. But, if you put a frog in cold water and slowly heat up the water, he will boil to death. Don't be the frog. Keep evaluating situations to make sure you haven't

gotten yourself into hot water unintentionally. And if things get uncomfortable, make sure you face the dilemma rather than burying your head in the sand.

Don't be nosy.

Many ethical dilemmas result from finding out information that we're not supposed to know. If you poke around and hunt for information, you'll probably find it—and find yourself in an ethical quandary.

Lead by example.

Ethics filters from the top of the company all the way down to the bottom. If the CEO is seen as a reputable, honest, stand-by-their-word sort of person, the rest of the employees will adopt that attitude as well. It is much easier to make ethical decisions when it's the norm of the company.

Case Studies

Scenario One

You are the assistant to the operating manager of a pencil manufacturing company. She gets calls all the time from salespeople wanting to sell her everything from better factory equipment to better materials for pencils. Your policy for answering the phone is to always take a message and tell the caller she is unavailable. The exception to this policy is her husband and her supervisor (the president and the CEO). You feel that this policy is ethical; after all, she has a right to decide who she does and does not speak to.

What is the dilemma?

How could you prevent or resolve this dilemma?

Scenario Two

Your newest advertising client has a reputation for being very generous with the companies it chooses to work with: free trips, tickets to galas, privileges at movie premieres... the stories are legendary. Unfortunately, your company prohibits you from accepting these types of gifts. You're worried that the policy will harm your working relationship with the client.

What is the dilemma?

How could you prevent or resolve this dilemma?

Scenario Three

You are the administrative assistant for the marketing department. Due to layoffs and downsizing, you now deliver mail and faxes throughout the building rather than just through your department. You're not used to dealing with confidential information; it's really tempting to peek and get the juicy gossip! One day, a fax from a high-ranking politician comes in. You look at it longingly, wanting to read it.

What is the dilemma?

How could you prevent or resolve this dilemma?

Pitfalls and Excuses

There are many things that can impede ethical decision making. Let's look at a few of the most common pitfalls and excuses and how you can avoid them.

The decision is just too difficult. I'm not going to do anything.

Thinking this means you've made a decision anyway, a decision to let the unethical behavior continue. Unfortunately, it's a snap decision based on a premise that making a decision will be a hard process with little to no reward. Trust us, it's better to take the time to think through the decision properly rather than to use this excuse.

There's nothing I can do.

If there's a moral dilemma that you've noticed in your workplace, then there definitely is some course of action that you can take, even if it's just prodding the right person to take action.

My job is too important to make any other decision.

What if your job asked you to sacrifice your children to an ancient god? Don't let blind loyalty to your job be an excuse for a poor decision.

I was just following orders.

If you're a robot, then this excuse is acceptable. Otherwise, you need to accept responsibility for your decisions.

I have to remain loyal.

Let's say you decide to hide evidence of your supervisor's embezzlement so that he or she won't go to jail. Of course, that benefits your supervisor in the short term. In the long term, however, you're not doing them any favors and you're certainly not acting in their best interest.

I didn't have time to make the right decision.

It is crucial that you take every potential ethical dilemma and think about it. If you need more time, say so. If you think there is a potential dilemma, say so. Don't use time pressures of the office as an excuse for bad decisions.

Developing an Office Code of Ethics

Are You Ready?

If you choose to develop an office code of ethics, it must be more than just a statement on the wall. It must truly be a code that you do business by. You must be prepared to change some of the ways you do business. You must be prepared to commit to those ethics for a code to succeed. You must be willing to look for staff who commit to these ethics.

A code of ethics, when properly implemented and followed, can have the following benefits.

- Happier employees. A code of ethics can relieve tremendous pressure on employees by giving them a moral compass that they can make decisions by.

- More consistent decisions. If everyone knows the company standard of right and wrong and commits to it, decisions made within the company are more likely to be consistent.
- More committed employees. As we discussed this morning, an ethical office environment will likely produce more committed, loyal employees. A properly implemented code of ethics can help an office become more ethical.

In summary, when developing an office code of ethics, make sure you and your company are prepared to live by it. Make sure input is obtained from everyone, even if it's just through a survey. And make sure people are committed to it; otherwise it's just another piece of paper on the wall.

Sample Codes of Ethics

The Ten Commandments

1. You shall have no other gods before Me.
2. You shall not make for yourself a carved image – any likeness of anything that is in heaven above, or that is in the earth beneath, or that is in the water under the earth.
3. You shall not take the name of the Lord your God in vain.
4. Remember the Sabbath day, to keep it holy.
5. Honor your father and your mother.
6. You shall not murder.
7. You shall not commit adultery.
8. You shall not steal.
9. You shall not bear false witness against your neighbor.
10. You shall not covet your neighbor's house; you shall not covet your neighbor's wife, nor his male servant, nor his female servant, nor his ox, nor his donkey, nor anything that is your neighbor's.

The Bible, Exodus 20:1-17

Rotary Four-Way Test

Of the things we think, say, or do:

1. Is it the TRUTH?
2. Is it FAIR to all concerned?
3. Will it build GOODWILL and BETTER FRIENDSHIPS?
4. Will it be BENEFICIAL to all concerned?

Minnesota Principles

Proposition # 1: Stimulating economic growth is the particular contribution of business to the larger society.

- We understand that profits are fundamental to the fulfillment of this function.

Proposition #2: Business activities must be characterized by fairness.

- We understand fairness to include equitable treatment and equality of opportunity for all participants in the marketplace.

Proposition #3: Business activities must be characterized by honesty.

- We understand honesty to include candor, truthfulness, and promise-keeping.

Proposition #4: Business activities must be characterized by respect for human dignity.

- We understand this to mean that business activities should show a special concern for the less powerful and the disadvantaged.

Proposition #5: Business activities must be characterized by respect for the environment.

- We understand this to mean that business activities should promote sustainable development and prevent environmental degradation and waste of resources.

Bank Ethical Principles

- **Uncompromising Integrity:** Doing the "right thing" without compromise for our customers, suppliers, and shareholders – even when circumstances make it difficult. We are clear, truthful, and accurate in what we say and do.
- **Respect:** Treating one another with respect and dignity; appreciating the diversity of our workforce, our customers, and our communities.
- **Responsibility:** Taking accountability for ethical decisions and actions; asking for clarification when necessary and reporting concerns or violations in the workplace.
- **Good Citizenship:** Complying with the spirit and intent of the laws that govern our business; contributing to the strength and wellbeing of our communities and shareholders.

Asimov's Three Laws of Robotics

1. A robot may not injure a human being or, through inaction, allow a human being to come to harm.
2. A robot must obey orders given to it by human beings except where such orders would conflict with the First Law.
3. A robot must protect its own existence as long as such protection does not conflict with the First or Second Law.

Text your Knowledge

What positive aspects do you see in these codes?

What possible issues do you see?

Could you live entirely by any of these codes?

Can you think of a recent ethical dilemma where one of these codes may have helped? Not helped?

How would these codes change your organization's way of doing business?

How could we modify the Three Laws of Robotics to be applicable to humans?

Your Code of Ethics

In the space below, develop a basic code of ethics.

- 16. Ask lots of questions.
- 17. Be organized. Stay focused.
- 18. Learn to dodge the ethical traps of overthinking and cynicism.
- 19. Remember that virtue is its own good reward.
- 20. Protect your key assets (good health, strong self-esteem, desire to improve a situation, good communication skills, and your reputation as a person of integrity).
- 21. Speak up whenever you feel more unethical behaviors are slipping in, or when you sense your collective ethics are getting sloppy, or when you think convenience is becoming more important than character.
- 22. Challenge yourself. Keep learning.

Pre-Assignment Review

Look at your pre-assignment and identify the areas of concern (typically questions answered with “yes”). Then, choose two or three keys that you think could help those areas of concern and devise a plan to improve that issue.

Area of Concern	Key(s) to Help	Action Plan Details

Developing Codes for Office Ethics

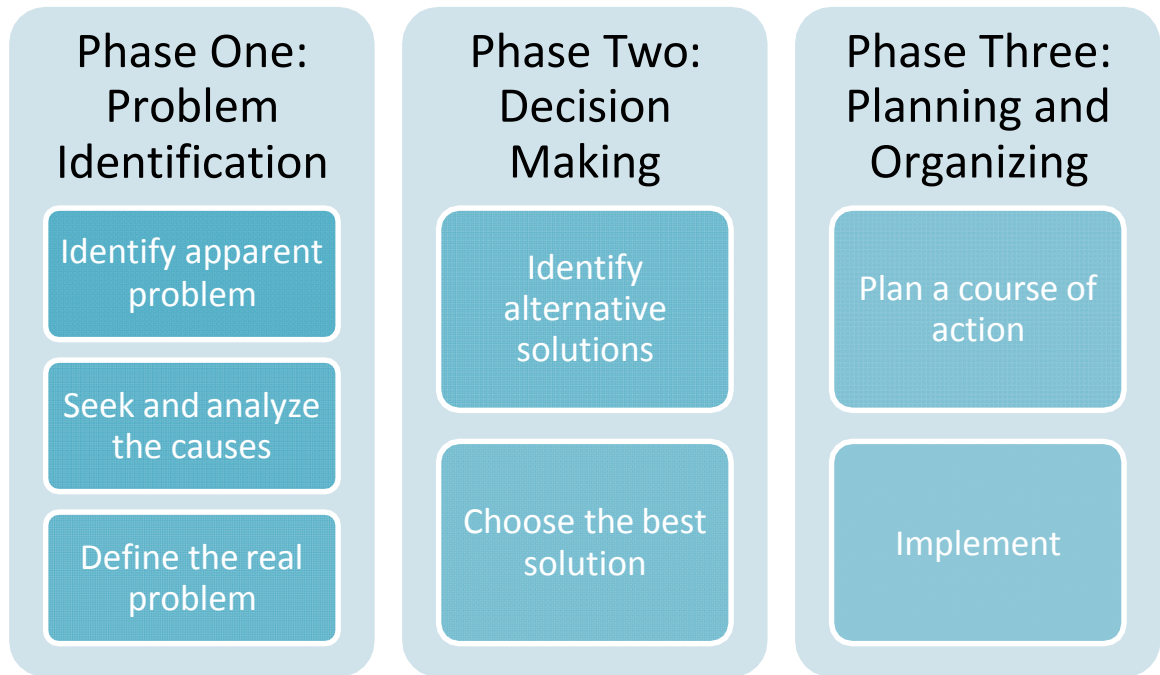
The Three-Phase Model

Whenever you read a book on problem solving, this model, in some form or other, is sure to be there. It may have six steps rather than seven, or it may have five steps. However, the model doesn't really change...just the authors' ways of breaking it down.

As you work your way from problem to solution, you are actually shifting your focus.

- When you define a problem, you ask yourself: What is my problem?
- As you try to analyze the root causes you ask: Why is it a problem?
- When you are generating options, you ask yourself: What are some ways I can solve my problem?

The Problem Solving Model

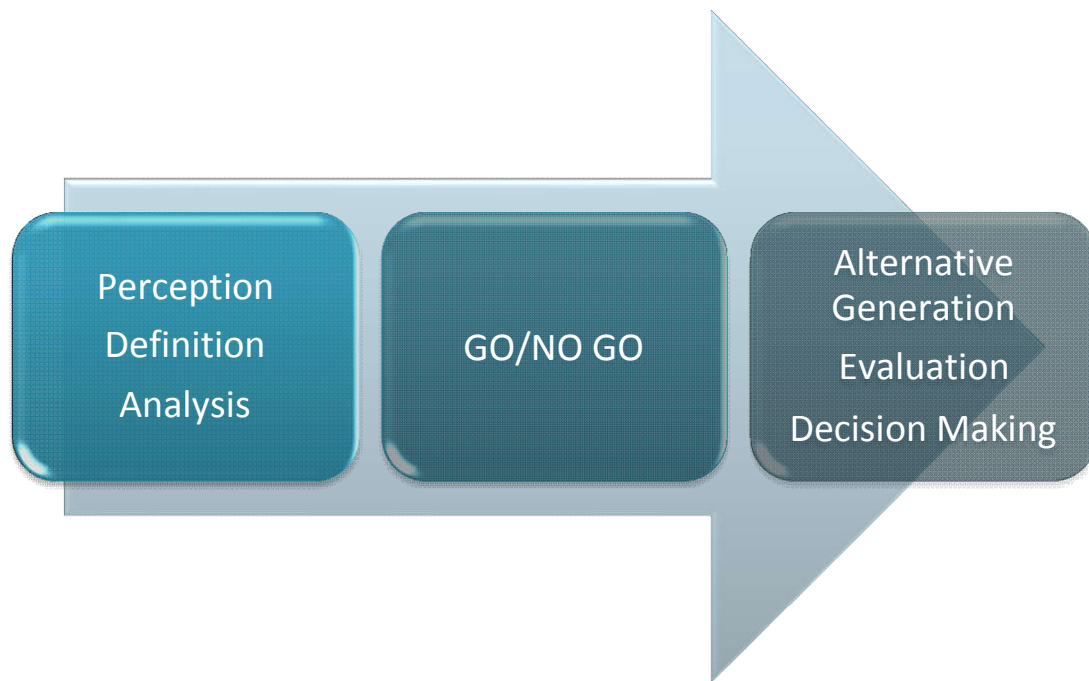


This model doesn't just work on paper: it applies across a range of problem solving activities. It is the very basis for informed and consistent problem solving. If you are someone who loves tools, this is your basic tool.

We often don't spend enough time in defining a problem, and that in itself is a problem. Don't be in too big a rush to get the solution worked out: make sure you know what you need to know. Then, make a commitment to continually check back with the first stage to make sure the problem is the same.

Another Perspective

Here is another way of breaking down the three phases:



We recommend that you spend most of your time on the first block: perception, definition, and analysis. As we've mentioned already in this course, we often don't spend enough time in defining a problem, and that in itself is a problem. Don't be in too big a rush to get the solution worked out: make sure you know what you need to know first. Then, make a commitment to continually check back with the first stage to make sure the problem is the same.

Phase One

Let's take a look at the first phase of the three-phase model: Problem Identification. Here is a breakdown of each step in the problem identification process. In all three steps, your focus is on the problem itself. Only afterward will you start thinking about solutions.

Perception

You ask yourself: Is there a problem? Where is the problem? Whose problem is it? This is the sniffing, groping, grasping stage. It includes whatever you do to get a handle on the problem.

What are the symptoms? Funny noises in the engine, an unhappy look on your employee's face, or a change in the productivity rate? You've got to find out what the problem is.

The purpose of this phase is:

- To surface an issue.
- To make it okay to discuss it (legitimize).
- To air different points of view.
- To avoid perception wars.
- To get group agreement to work on the problem.

Steps in this phase include:

- Legitimizing the problem; make it okay to discuss it.
- Asking, "How does the problem feel?" and, "What's the real problem?"
- Identifying the best, worst, and most probable situation.
- Identifying whose problem it is.

Definition

Here, we state the problem as a question. Our goal is to grasp the general idea of the problem and then draw the rope tighter to get a more specific idea of the problem.

Steps in this phase include identifying:

- What is the problem?
- What is not the problem?

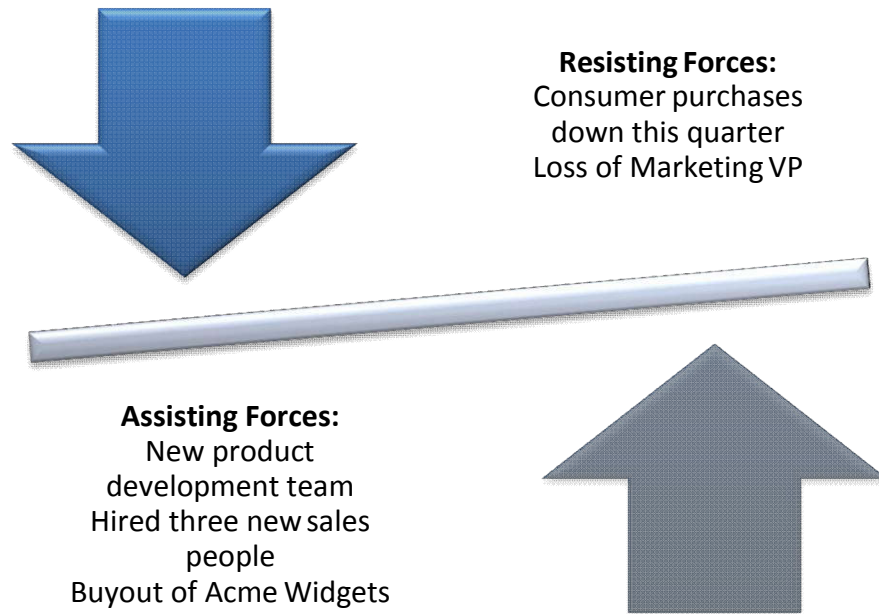
Analysis

Now that we have a general idea of the problem, we will use analytical tools to define it even further. Steps in this phase can include the following.

Ask basic questions, such as who, what, where, when, why, and how.

Break it down into smaller pieces. For example, if we know that the problem is that revenue is down, we can break it down into possible areas of cause: manufacturing, shipping, or sales.

Use force field analysis. This is a structured method of looking at two opposing forces acting on a situation. Simply draw a line on a piece of paper. On one half of the line, list the forces that are working to solve the problem. On the other half, list the forces that are stopping you from solving the problem. Let's say that revenue is down this quarter. Our force field might look like this:



Move from **generalizations to specific examples** as a way of testing what the problem is or is not. For example, you could say, "Our company has really been doing poorly all year." We could further identify how the company has been doing poorly; let's say that the production department in particular has been less efficient, costing the company money. Then, we can look at what aspect in particular is doing poorly.

Ask the expert. Find a person who has dealt with this sort of issue before.

Phase Two

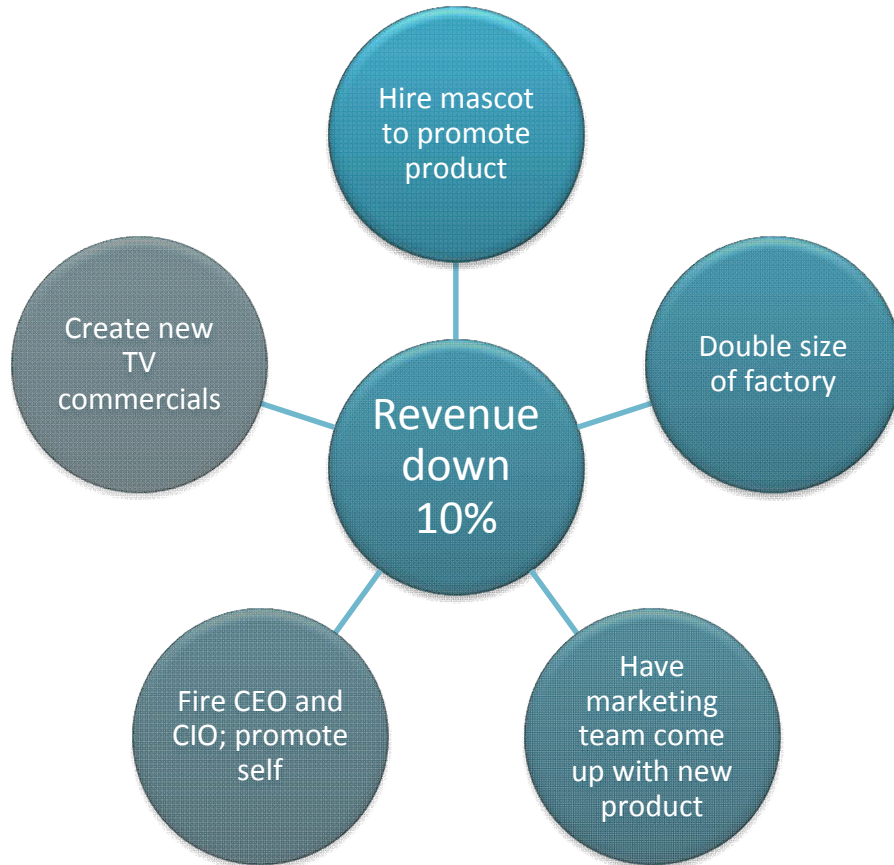
Until the three steps of problem identification have been covered, don't proceed to phase two (decision making). (If people don't agree on the problem, they will never agree on a solution!)

Creative Thinking Methods

Here are some tools you can use to come up with ideas.

Brainstorming

Draw a circle in the middle of a page and write down your problem. Then, draw lines from that circle and write down some solutions. Don't worry if they're wacky, impossible, or silly; this is a time for creative thinking, not critical thinking. Capturing the range of ideas is what is important here.



Checkerboard

This is a more organized form of brainstorming and can be particularly helpful for people who don't like how chaotic a brainstorming session can become. With this method, you organize your thoughts into a table. We still want creative thinking rather than critical thinking, but this method may help you develop ideas.

Here is an example of a checkerboard.

Main Issue	Possible Specific Solutions		
Create safe passage between building and parking/bus stop	Have security escort night staff to their cars or bus stop	Rearrange shifts so that people come and go during	Set up a buddy system with employees

		daylight hours	
People missing work in snowstorm	Set up 50% of staff with ability to work from home during storms	Arrange for temporary shelters so that staff can stay overnight	Provide incentives for employees to put winter tires on their vehicles and learn safe winter driving
Threat of strike is rumored	Set up contract negotiations well before contract expires	Approach union and ask to speak with them	Set up contingency plan to ensure business continuity in the event of a strike

Next, cut up solutions and move them around, or use your computer. This can help you organize your ideas and generate even more solutions!

Research and Report

Look at what others have done. Do some research and prepare a report. What lessons can you learn from this information?

Evaluation

Now that we have some solutions in mind, it's time to evaluate the solutions to see which ones are feasible.

- Sort solutions by category. This can be similar to the checkerboard above, just with some critical thinking applied.
- Identify the advantages and disadvantages to each solution.
- Identify what you like about each idea and what you don't like.
- Number your ideas in order, from the one that seems the most feasible to the one that seems the least feasible. This is useful for small problems.

Decision Making

Once you have evaluated the options, it's time to make a decision. Here are some ways you can do it:

- Get a consensus from the group on the best solution.
- Don't limit yourself to one option; you may find that you can combine solutions for super success. (This is called the both/and method.)

- To make voting easier, you may want to eliminate the solutions that the group as a whole absolutely won't consider.
- Try to focus on agreements during all voting.
- Use straw voting: Take a quick, non-binding yes/no vote on the current solution as proposed.
- Try negative voting: Rather than asking who is for a solution, ask who is against the proposed solution.
- Back off! The group may need some time to evaluate the options before making a decision.

Phase Three

Our last phase should be planning how to implement the solution and performing the actual implementation.

Planning

For the planning portion, start by breaking the task down into smaller portions. Then, for each mini-task, plan the following information:

- What needs to be done?
- Who will do it?
- What resources will we need?
- How much time will it take? (Set a deadline!)

Once all the smaller tasks are planned out, you will have an idea of how long the main solution will take to implement. You may also want to make sure that the above questions are answered for the main task.

Implementation

Implementation is a cycle of three activities:

- Figuring out what you are going to do
- Doing it
- Reacting to what happened or getting feedback

Sooner or later, you have to try out your solution!

Solution Planning Worksheet

It can help to lay out what you are planning to do. Here is an example of a solution planning worksheet.

Problem: Revenue down 10%

Solution: Develop new product

Task 1	Engineering will design product.	
	What needs to be done?	Product needs to be designed.
	Who will do it?	Jim and Sue from Engineering.
	What resources will they need?	Unknown. They should have all resources in house; we will make sure they know we can assist in obtaining more resources if necessary.
	How much time will it take?	Targeted completion date: Dec. 31
Task 2	Prototype will be created.	
	What needs to be done?	Prototype needs to be developed.
	Who will do it?	Sam from Manufacturing, Jill from Engineering
	What resources will they need?	May need testing group; we will help provide this need
	How much time will it take?	Targeted completion date: Feb. 28
Task 3	Product will be manufactured.	
	What needs to be done?	Product needs to be created.
	Who will do it?	Joe from Manufacturing
	What resources will they need?	All resources in-house
	How much time will it take?	Targeted completion date: Dec. 31

The Problem Solving Toolkit

There are some techniques we can use to help us at every stage of the problem solving process.

The Lasso

Can we tighten up our definition of the problem?

- “How can we improve communication in our group?” What do we mean by communication?
- “How can we get our work done more efficiently?” What do we mean by efficiently?

Is/Is Not

The Is/Is Not technique lets us eliminate assumptions and emphasize facts. For example, someone says, “The telephone system isn’t working.” You might ask them to list what isn’t working and list what is working. Perhaps all functions are affected, or perhaps only incoming calls have been affected.

Graphics

A diagram allows us to see things visually. For example, think of personality types, which can be depicted visually as well as verbally. For some, a graph is more beneficial than a score or a label. For others, one type of categorizing is better than another type of categorizing.

Basic Questions

Who, what, where, when, why, how?

Criteria

In many situations it can be very helpful to have already determined what the criteria will be for your best solution. For example, let’s say that you and your spouse are going out to celebrate your anniversary. Where are you going to go? Well, rather than the old harangue about: “Where do you want to go?” and, “I don’t care. It’s up to you,” how about developing criteria ahead of time?

Some examples:

- The place must have a liquor license, since you want a glass of wine with your meal.
- It shouldn’t cost an arm and a leg, yet you don’t want the fast food joint just down the road. A cost of \$20 to \$30 per person is another criterion.
- You want a place where you can have chicken and your spouse can have seafood.
- It shouldn’t be more than 50 miles away, since you both have to work tomorrow.
- It should take reservations. You don’t want to go to all that trouble and then find the place has no table for you.

Now you can brainstorm, but the brainstorming will be modified or restrained, since you’ve already identified the criteria that the restaurant must meet.

Force Field Analysis

Force field analysis examines restraining forces (forces that discourage the problem) vs. sustaining forces (forces that encourage a problem). Take an example like John arriving late for work.

What are the restraining forces?

- Boss is angry
- John is behind with his work
- Parking spots all gone

What are the sustaining forces?

- Gets to sleep an extra 15 minutes
- Takes the kids to the babysitter
- Misses traffic on way to work

Then the question becomes, how can we weaken the sustaining forces and strengthen or shore up some of the restraining forces?

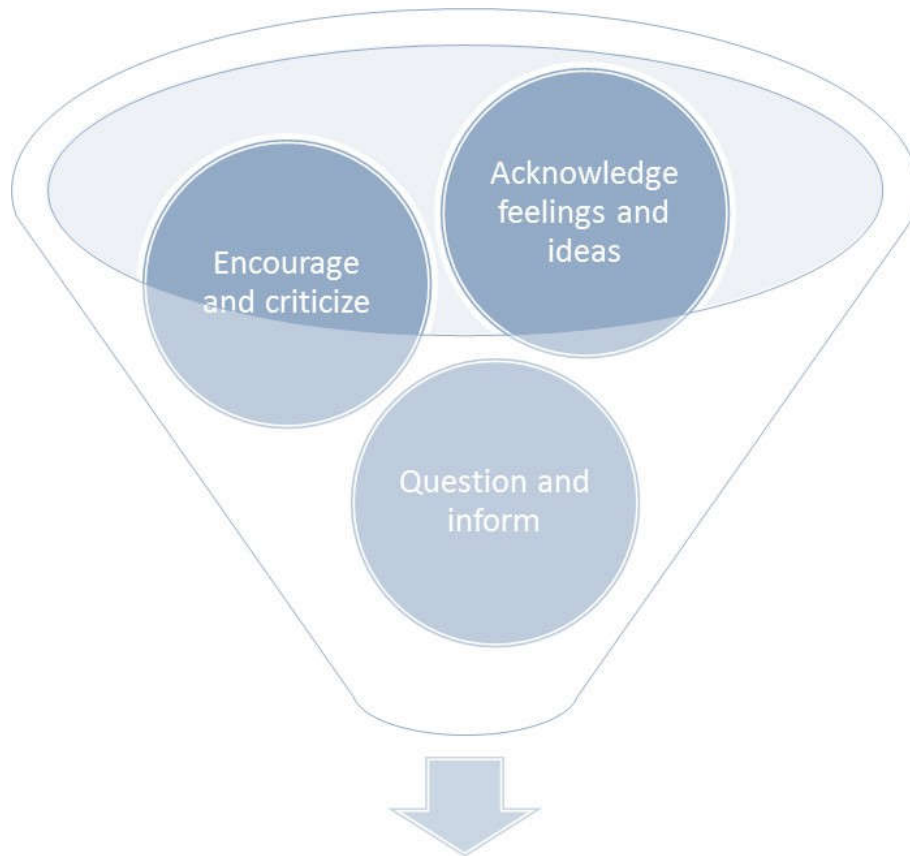
Legitimizing Problems and Positions

Problems are okay. Everyone has problems. They are a fact of life. Human beings couldn't live without change in their environment, without stimulation, and problems provide that change and stimulation. So it's all right to have a problem as long as you are willing to do something about it.

In our society we often think that having a problem is like admitting failure. Some of us refuse to admit we have problems, or we ignore or hide them.

Everyone sees things differently, especially problems. Did you ever stop children from fighting and ask what the problem was? You would usually get a discordant chorus of responses as to why they were fighting, and each would see the fight from their own perspective. This expression of our personal view, no matter how discordant it may be, needs to be legitimized.

To do this, we can use the communication funnel.



Communication

If you are working with two employees who are in conflict, for example, each one must have their perception of the problem legitimized. You aren't telling one they are right and the other they are wrong. Rather, you are demonstrating that you accept and support each view as legitimate, and will protect it from attack until it has been explored. Showing people that their view has been heard and accepted will reduce the tension and let them relax, at least a bit. Only then can you go on to find common ground, identify what's at the root of the problem, make decisions on solutions, and move ahead.

Ethical Decision Making Tools

Three Types of Tools

The tools we just discussed are great for solving all kinds of problems. However, there are some special considerations and tools when solving ethical problems.

Basic Principles

Before we look at some specific tools you can use to help solve ethical decisions, let's look at some general principles you should follow.

- Put yourself in the other person's shoes. Will the affected person also think that this decision is ethical?
- Make sure you have all the information.
- Look at the problem through various principles. How can the principle of loyalty be fulfilled through this problem? How does confidentiality come into play?

For Quick Decisions

Let's look at two tools that can be used when you have to make snap decisions.

Ethical Priorities

Nan DeMars suggests three priorities, in this order:

- Take care of yourself.
- Take care of your company.
- Take care of your supervisor.

So let's say your supervisor asks you to lie about their whereabouts to someone. Make sure your needs are covered first, then take care of the company's needs, and then worry about your supervisor.

The Smell Test

When you are considering a solution, ask yourself these questions:

- How would I explain this decision to my children?
- How would I feel if this decision were reported on the news?
- Can I live with this decision? Will it keep me up at night?
- How would my mother feel about this decision?

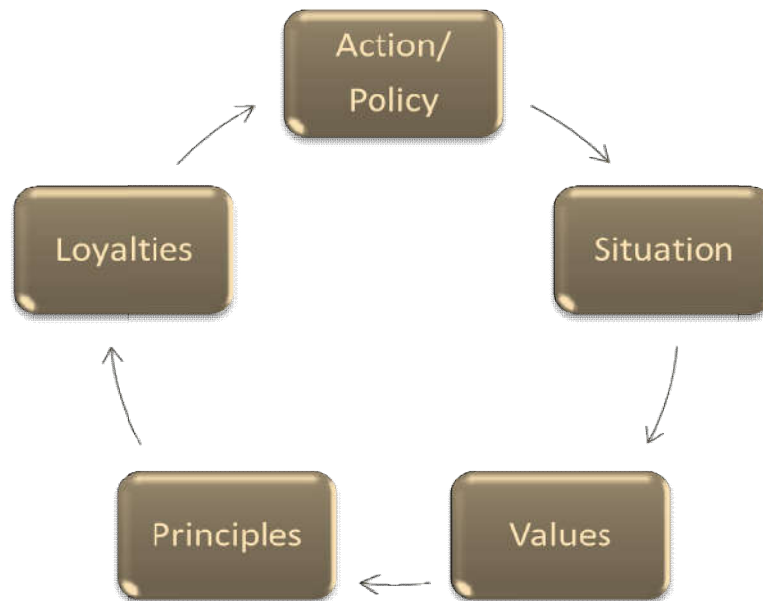
These questions will highlight potential problems with the solution you're considering.

Advanced Processes

Now let's take a look at some more advanced tools that you can use if you have some time to ponder your options before making a decision.

The Potter Box

Developed by Ralph Potter of the Harvard Divinity School in 1965, this provides a more detailed method of decision making.



Let's take a look at the steps.

1. We start with the action or policy that has caused the dilemma.
2. Next, we analyze the situation. Write down the who, what, where, when, why, and how.
3. Now, determine what values are called into play by the dilemma. Credibility? Trust? Reliability? Honesty?
4. Next add the principles that might affect the situation. Perhaps the maxim that human life should be valued above all else comes into play. Or perhaps you personally believe that theft is always wrong.
5. Now, determine where loyalties lie. To your company? The client? The supplier? What other loyalties might affect the situation?
6. Now you're back at the action or policy. How will you alter things to solve the dilemma, using the information gathered?

The Kidder Process

Ethics expert Rushworth Kidder has developed a nine-step process that will help you sort out ethical issues. You may find this process more practical and easier to use than the other approaches we have discussed.

1. Recognize that there is a moral dilemma.
2. Determine the actor. Are you morally obligated to do anything about the dilemma? Do you have the power to act?
3. Gather the relevant facts. Determine who, what, how, when, why, and where. Try to predict possible future events that could affect your decision.
4. Test for right versus wrong issues. Does the moral issue potentially concern law breaking? Does the action go against your moral principles? How would you feel if the decision you're considering was reported in the news? Would your mother make the same decision? If these questions point out that your decision is obviously wrong, then you can stop at this step.
5. Test for right versus right paradigms. Is this a case of truth versus loyalty, self versus community, short term versus long term, or justice versus mercy? Generalizing the issue into one of these paradigms helps you identify that the core issue is two values facing off against each other.
6. Apply the resolution principles. Determine what the resolution would be based on the Golden Rule, Kantian principles, and utilitarian principles. This is simply to identify lines of reasoning.
7. Investigate the trilemma options. This step can actually take place at any point during the process. Is there a third way through this dilemma?
8. Make the decision.
9. Revisit and reflect on the decision.

Case Study

It Just Doesn't Add Up

You are the assistant for the president of your company's marketing department. One of the major stipulations of the company's code of ethics is that staff are not allowed to accept freebies from their clients.

You opened your boss's calendar the other day to schedule a meeting but you opened his personal calendar by accident. You noticed an entry for a gala sponsored by one of the company's clients. What do you do?

Questions

Our Tool

Our Solution

Common Ethical Dilemmas

Dilemmas with Company Policy

Common Dilemmas

It sounds unlikely, but it is possible that company policy will place you in an ethical dilemma.

For example, let's say that you're an insurance broker. Your company's operations manual states that you must always provide the customer with the lowest quote you have obtained. You know that the company that always offers the lowest quote has terrible customer service and has a history of denying legitimate claims. You also know that their quote does not include taxes and service fees, but both your company's policy and the insurance company's policy forbids you from telling customers this.

Most people would see two solutions to this problem: find another job or learn to live with the policy. However, there is a third option: be the catalyst for change.

The Third Option

You should bring the ethical issues about the policy to the attention of your supervisor. For example, perhaps s/he is not aware of the issues with the lowest-bidding company. Make sure this discussion takes place in private at a good time for both of you, when you can sit down and fully discuss the issue. You'll also want to phrase your concerns in a way that doesn't blame anyone.

For example, you might want to say, "I've come across a possible issue with our quoting policy that's making me a bit uncomfortable. We've agreed to always provide the lowest quote to customers, but the company that provides the lowest quote has a reputation for some unethical practices. As well, there are some hidden fees that may actually mean they're not the lowest provider."

Remember that supervisors want to hear about solutions as well as problems, so before you meet, try to come up with some ways that the dilemma can be resolved.

In this example, you might suggest that your company revise their policy so that you can provide several quotes to your customers. You might also request that your company meet with the insurance company in question to clarify their fee structure and to request that your company be allowed to share all information with customers.

Dilemmas with Co-Workers

Potential Dilemmas

Another common source of ethical dilemmas in the workplace is our co-workers. There are three common types of situations in this category.

You've found out something that a co-worker should know, but you can't tell him/her.

Here's a classic dilemma: you and your best friend work for the same company. She's pregnant and she and her husband are planning to buy a house. You've just found out, however, that there's a 75% chance that she will be laid off in the next six months.

Your co-worker asks you to do something unethical.

It's Thursday night, 9 p.m., and you and your colleague are putting the final touches on a key report for a 9 a.m. meeting. You notice that some crucial numbers are missing. Your colleague says, "Let's just put in some likely numbers; we can always pass it off as a mistake by the data entry department later."

You see a co-worker doing something unethical.

You work for a small programming company. The company prides itself on developing all its code by hand and in fact mandates that its staff do so. You recently saw one of your colleagues, who has been with the company a long time, pulling code from a competitor's application.

These types of situations are the ones that you will encounter often in the workplace. This is why it is so important to be "ethically fit," as Rushworth Kidder puts it. You need to know where you stand on ethical issues, what your values and principles are, and how you will solve ethical dilemmas, so that when these issues arise you have a framework for dealing with them.

Case Studies

Scenario One

You and your best friend work for the same company. She's pregnant, so she and her husband are planning to buy a house. You've just found out, however, that there's a 75% chance that she will be laid off in the next six months.

What is the main issue?

What values come into play when making a decision?

What tools would you use to solve the problem?

What potential solutions do you see?

Are there any possible problems with your solutions?

How would you implement those solutions?

Scenario Two

It's Thursday night, 9 p.m., and you and your colleague are putting the final touches on a key report for a 9 a.m. meeting. You notice that some crucial numbers are missing. Your colleague says, "Let's just put in some likely numbers; we can always pass it off as a mistake by the data entry department later."

What is the main issue?

What values come into play when making a decision?

What tools would you use to solve the problem?

What potential solutions do you see?

Are there any possible problems with your solutions?

How would you implement those solutions?

Scenario Three

You work for a small programming company. The company prides itself on developing all its code by hand and in fact mandates that its staff do so. You recently saw one of your colleagues, who has been with the company a long time, pulling code from a competitor's application.

What is the main issue?

What values come into play when making a decision?

What tools would you use to solve the problem?

What potential solutions do you see?

Are there any possible problems with your solutions?

How would you implement those solutions?

Scenario Four

You work for a small courier company. Part of your contract stipulates that if you are involved in an accident or convicted of a driving offence, you must inform the company immediately, even if it is outside working hours. Recently, one of your co-workers took an unexpected one-week vacation. You've heard through the grapevine that he was convicted of driving under the influence, lost his license for a week, and was therefore unable to work. However, he told the company that he had a family emergency and did not report his conviction.

What is the main issue?

What values come into play when making a decision?

What tools would you use to solve the problem?

What potential solutions do you see?

Are there any possible problems with your solutions?

How would you implement those solutions?

Dilemmas with Clients

Potential Dilemmas

Clients can sometimes request that we do something unethical for a number of reasons: to get them a better airline seat, to get them a better deal, or even just to give them the service they think they deserve. They can also do so unintentionally; for example, by asking you to share confidential information to help them make a decision.

These are also the types of decisions that require you to be ethically fit. Know where your line is (and your company's line). Having a mental process in place to address these ethical decisions is crucial to your survival.

Let's look at some ways that you can address ethical dilemmas caused by your supervisor.

Plan A

Let's say that your supervisor casually asks you to sign some documents for him. You feel that this is unethical, so you simply say, "I'm not really comfortable doing that." Your supervisor may not have been aware that his/her request was unethical, and they may retract the request. This simple process works in many cases.

Plan B

If Plan A didn't work, or you said yes and then changed your mind, or if you asked for some more time to think about the request, then it's time to proceed to Plan B: a sit-down meeting.

First, make sure that the discussion takes time at the appropriate time and place. If there's a pressing decision that needs to be made that may become an ethical dilemma, take five minutes, and at least make your supervisor aware of it. Otherwise, try to have a sit-down meeting in a private area so that you have time to fully air your issues without interruption.

Then, paraphrase your supervisor's request. Say something like, "I understand that you wanted me to supply figures for that report due this afternoon." When your boss hears another way of phrasing it, s/he may immediately retract their request.

If the supervisor doesn't retract his/her request, say no again. This time, you need a more complete statement with these parts:

- "I really don't feel comfortable doing that."
- Explain your understanding of the situation and the aspects of the dilemma. Take the opportunity to ask questions.
- Explain why you don't feel comfortable with the situation.
- Explain that you are trying to protect the reputation of everyone involved (yourself, your boss, and the company.)
- Define what you expect ethically.
- Provide some solutions that would meet your ethical principles and that would be agreeable to the supervisor and the company.
- Ensure you and your supervisor commit to a plan of action.
- Thank your supervisor for listening to you and giving you the opportunity to air your thoughts.

During the discussion, make sure you:

- Don't become defensive or emotional.
- Stay on track.
- Don't put your boss or the company down.
- Try not to judge, accuse, or criticize.
- Don't compromise your ethical principles; do compromise on solutions (as long as they are ethically acceptable).
- Stop talking when you've made your points.

Plan C

If you've had a sit-down with the boss and s/he still wants you to behave unethically, it's time for Plan C.

First, reconsider the situation. Make sure you are committed to seeing this thing through, even if it comes down to losing your job. Can you live with the situation as it is or is it worth the fight?

Once you have established your commitment to this moral dilemma, it's time to swing into action. First, talk to another supervisor (at the same level or higher) or to your Human Resources department to get their perspective on the situation. Make sure you document the who, what, where, when, and why of each person you talk to about the situation. Above all, stick to the facts. Focus on the dilemma, its potential consequences, and your ethical concerns. If the dilemma still is not resolved within your ethical boundaries, it's time to get a lawyer. Your next avenues of disagreement are drastic: sue the employer, go to the media or other government agencies, or quit.

Dilemmas as a Supervisor

Unfortunately, the burden of ethics often falls most heavily on those in power. Supervisors are often placed in ethical dilemmas, caught between their supervisors and their staff, or between the needs of the client and their staff. Supervisors also have the responsibility of setting a good ethical example for their employees. And, supervisors are often less closely policed than lower-level staff. Many supervisors see their elevated position as a reason to bend the rules to their advantage.

What are some potential ethical dilemmas that supervisors may face?

Boost your self-esteem.

Focus on your good qualities. Think about the weak areas of your self-image. If you'd like to feel more competent at work, read some books or attend some workshops. Try to solve some small problems to rebuild your confidence. And, make sure you seek support in your social network.

Reconnect.

If there are issues lingering from your mistake, address them by acknowledging the problem, admitting your responsibility, apologizing (if necessary and sincere), explain, and ask for another chance.

For example, you might say something like: "I sense that there's an issue between us and I want to clear the air if I can. I feel like this is my fault because I falsified those figures. I'm sorry that I did it and I wish I had made a different decision. I did it because I felt I had to; I didn't think it through. I want to have the same working relationship we did before."

Get on with your life.

If your work relationships can be repaired, then work towards that. And if things don't quite return to the same way, or you feel that your co-workers can't get over it, it may be time to look for a new job.

Taking Your Moral Temperature, Part Two

Instructions

At the beginning of this course, we asked you to decide how you would respond to some moral dilemmas. Now that we've talked about some decision-making processes and some different perspectives, we'd like you to think again about how you would respond to these situations. As well, write down the things you considered when making your decision.

Scenario One

Your supervisor is home sick. He called you to ask you to tell anyone that asks that he is on a business day trip.

What would you do?

Scenario Two

You have found out that a particular team in your company will be laid off in six months. This is completely confidential and you're not supposed to know. However, your best friend is on that team. She just found out that she is pregnant, so she and her husband are planning to buy a home in the next few months.

What would you do?

Scenario Three

Money is tight and your spouse's birthday is coming up. One of your clients offered you free tickets to a major gala coming up, complete with a hotel room. The problem is that your company prohibits accepting these kinds of gifts.

What would you do?

Scenario Four

Two people on your team are secretly having an affair. They're both married and company policy prohibits inter-office dating.

What would you do?

A Look Back

Now, turn back to **Session Three**, where you originally looked at these situations. How are your responses different? Are any the same? What changed?

Further Reading: