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Ethics shines light on the decisions and actions we take, enabling us to lead better lives.

A Commonsense Approach to Business Ethics

Learning Objectives

On completion of this chapter, the reader should be able to do the following:

- LO 1.1: Explain why it is difficult to make ethical choices.
- LO 1.2: Describe what an ethical decision is.
- LO 1.3: Recognize the tragic nature of ethical decision-making: Someone may be hurt.
- LO 1.4: State why intuition must be supplemented by reason in making ethical choices.
- LO 1.5: Explain how the weight-of-reasons framework leads to addressing root causes and not just implementing quick fixes.
- LO 1.6: Apply the weight-of-reasons framework for ethical decision-making.

When difficult cases occur, they are difficult chiefly because . . . all the reasons pro and con are not present. . . . To get over this, my way is to divide . . . a sheet of paper . . . into two columns, writing over the one pro and the

other con. . . . I endeavor to estimate their respective weights . . . and . . . find . . . where the balance lies. . . . And though the weight of reasons cannot be taken with the precision of algebraic quantities . . . when each is thus considered separately and comparatively, and the whole lies before me . . . I think I can judge better; and am less able to take a rash step. ”

—Benjamin Franklin,
18th-century U.S. author, politician, and scientist

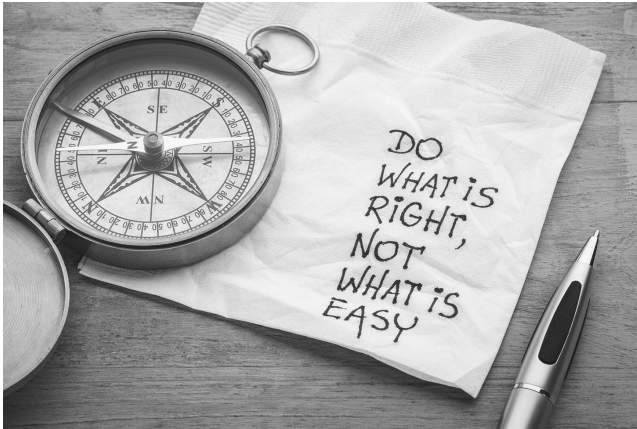
Introduction: Ethics Is Tough!

LO 1.1: Explain why it is difficult to make ethical choices.

The Greek philosopher Socrates (ca. 400 BCE) famously said, “The unexamined life is not worth living.” He and other ancient Greeks proposed that a human being should not blindly follow laws, nor be driven simply by self-interest, desire, and emotion alone. In other words, you should not simply follow orders and give into popular taste, nor simply act based on habit, with the decisions you make being a response to society’s expectations or what an authority commands. Rather, as human beings, we must reflect on and scrutinize our actions. We have a duty to ask the following:

- Why am I acting as I do?
- What implications do my actions have for others?
- Are they consistent with principles I want to uphold and want others to accept?

Asking these questions means living “the examined life.” Ethics is about the ability to examine your life, to regulate narrow self-interest, and to “do the right thing” for a larger group, whether it be your family, community, society, or the world. We human beings have survived because of our ability to consider ends beyond our narrow self-interest and to cooperate.



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Ethical problems are complex and difficult to understand, and they confront us with tough choices.

Decision

A specific commitment to action

Decision process

A set of actions that begins with the identification of a stimulus for action and ends with the specific commitment to action

Ethical decision

A decision that the decision-maker perceives as involving questions of good and bad, right and wrong

Unstructured decision

A decision for which there is no predetermined and explicit set of steps within the organization

What Ethics Is About

Unfortunately, figuring out the “right thing to do” often turns out to be a tall order. One reason is that *ethical problems themselves are complex and difficult to understand, and they confront us with tough choices*. Business ethics is not about solving easy problems that have neat and clean solutions; rather, it is about deciding what to do when you face decisions that lie in a gray area where no easy answers exist. Although good ethical decision-makers seek to identify win–win scenarios and

minimize harm, as we discuss in Chapter 5, sometimes ethical decisions involve trade-offs between competing goals and obligations in which not every party can be wholly satisfied. Some person or some group may be harmed—perhaps yourself. The harm may be temporary or permanent. It may be accepted voluntarily with full knowledge or imposed arbitrarily without you or the group understanding how or why they have been hurt. For example, what should you do when you are torn between staying loyal to a friend and calling attention to that friend’s misdeed? Or what should you do when you realize that what is best for your company is unfair to a particular individual? Mustn’t the rights of each individual be put ahead of what is good for the company?

Ethical Decisions and Ethical Dilemmas

LO 1.2: Describe what an ethical decision is.

Ethical decisions are hard to address not only because they are complex and pose uncomfortable trade-offs but also because they involve *uncertainty*. Chances are you do not have complete information about the situation you are addressing, nor do you know how others will respond to your actions. You cannot be sure of the consequences of your actions for yourself, your organization, or the society. You do not have perfect knowledge of who will benefit and who will lose. Yet you have to act, and the decisions you have to make are fraught with risk to yourself and others.

Ethical decisions also can be tough simply because *people tend to have great difficulty in making complex decisions*. Researchers have long studied how people make decisions. A **decision** is “a specific commitment to action,” and a **decision process** is “a set of actions . . . that begins with the identification of a stimulus for action and ends with the specific commitment to action.” An **ethical decision** is one that decision-makers perceive as involving questions of good and bad, right and wrong. Tough ethical decisions often get made through what are known as **unstructured decision** processes, where people in organizations have no predetermined set of

steps it takes to address the problem at hand since the problem is so complex and has not been encountered before.¹ An ethical **dilemma** is a type of unstructured decision in which people may have a clear understanding of the problem, but they cannot decide between alternative courses of action, since all the alternatives appear to have undesirable properties.

Decision scientists have long advocated that businesspeople making unstructured business decisions apply a reasoning process that encompasses identifying a problem (“I am hungry”), identifying and weighing decision criteria (price, type of food, location), identifying alternatives (places you could eat), evaluating these alternatives vis-à-vis the criteria you wish to achieve, and then making a decision (what you will do to quench your hunger).² It turns out, however, that people often do not use this type of reasoning process or are stymied when they try to. There are many reasons for this, which we will examine in Chapters 3 and 4. One of the main ones that deserves attention upfront is the concept of **bounded rationality**, or in other words limitations on our cognitive ability that inhibit us from formulating problems well and gathering and processing information to solve them.³ Your senses are constantly bringing in more information than your brain can handle, so it very selectively pays attention to some information, while screening out other information. On entering a room, you may see a table but not the faces of some of the people in the room; then you very quickly categorize and interpret the information that you do perceive so that you can act (“That is a table; I will sit at it.”). Although we tend not to recognize it, we are all like the person in the photo who has a very limited view of the reality around him. We encourage you to watch the “Count the Passes” video⁴ to see how limited our cognition actually can be (access the link on the student companion site at edge.sagepub.com/marcusethics)

Someone May Be Hurt

LO 1.3: Recognize the tragic nature of ethical decision-making:
Someone may be hurt.

The fact that problems are hard to understand and the fact that we have a limited ability to understand them means that we have difficulty in effectively addressing ethical dilemmas. This problem is often one of judgment rather than moral weakness; quite often, we want to do the “right thing” but have a hard time figuring out what the “right thing” to do is. Very few instances exist where we have perfect



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We all have a limited view of the world.

Dilemma

A particular type of unstructured decision in which one has a clear understanding of the problem but cannot decide between alternative courses of action, because all have undesirable aspects

Bounded rationality

Limited cognitive capacity. Due to bounded rationality humans perceive and interpret some of the information available to their senses while filtering out other information

information about a situation or can fully predict the consequences of our actions. In addition, there are some instances where we do not have good options. A good option would benefit everyone equally, but this is not always possible. We all wish that with enough imagination, we could achieve win–win outcomes, but we should not be naive. Making ethical decisions sometimes involves hard choices in which we apportion costs and benefits to different groups and individuals. Thus, ethical decisions can have a tragic dimension. We may have to decide whom we expect to hurt and whom we will benefit and in what proportions.

Knowing that tough ethical decisions cause us pain and anguish, we may try to avoid them. However, for our mental health, it is not good to pretend that dilemmas do not exist. We are better off recognizing them for what they are and dealing with them as best we can. That is the purpose of this book—to highlight these dilemmas and provide you with some tools to deal with them as best you can.

Intuition Versus Reasoning

LO 1.4: State why intuition must be supplemented by reason in making ethical choices.

When we confront ethical dilemmas, we may cut off the rational parts of our brain and rely on the intuitions that we have about what is right and what is wrong. Indeed, psychologist Jonathan Haidt, who has written extensively about ethics, argues that intuitions are the main factor driving our ethical decision-making, and we use our reason only to create *self-serving rationalizations* after the fact to justify choices we have made.⁵ According to Haidt, we follow our desires and emotion and are not very reflective about ethics. Brain scans show that people's ethical choices tend to be made in rapid-fire, semiautomatic, and nonconscious ways.

We discuss fast ethical thinking in Chapter 3 of this book. Much of our thinking about ethics is fast and intuitive, but not all of it. When we face a troubling ethical dilemma, we tend to think carefully and deeply, and from our reflection comes better choices than would arise if we depended on intuitions alone. This book offers a tool for you to think more slowly about ethics.

Your intuitions may be a source of positive ethical feelings, but they do not tell you what to do. Experienced managers, who have honed their moral inclinations over time, make some decisions based on intuitions alone, but this type of fast ethical thinking is likely to work well only when they address *familiar questions and problems* they repeatedly confront. In novel and complex situations, intuitions are not a reliable guide to action. They can send conflicting signals that leave us paralyzed. Therefore, we need to reflect. Reflection gives us a better sense about what we should do. Without reflection, our intuitions can take us down harmful and destructive paths.

Therefore, supplement your intuitions with reason. Step back and *think deliberately* about the ethical dilemmas you face. Since reasoning can have a positive bearing on the choices you make, make ethical decisions in business based on reason. The purpose of this book is to provide a commonsense way of applying reason to ethical choices.

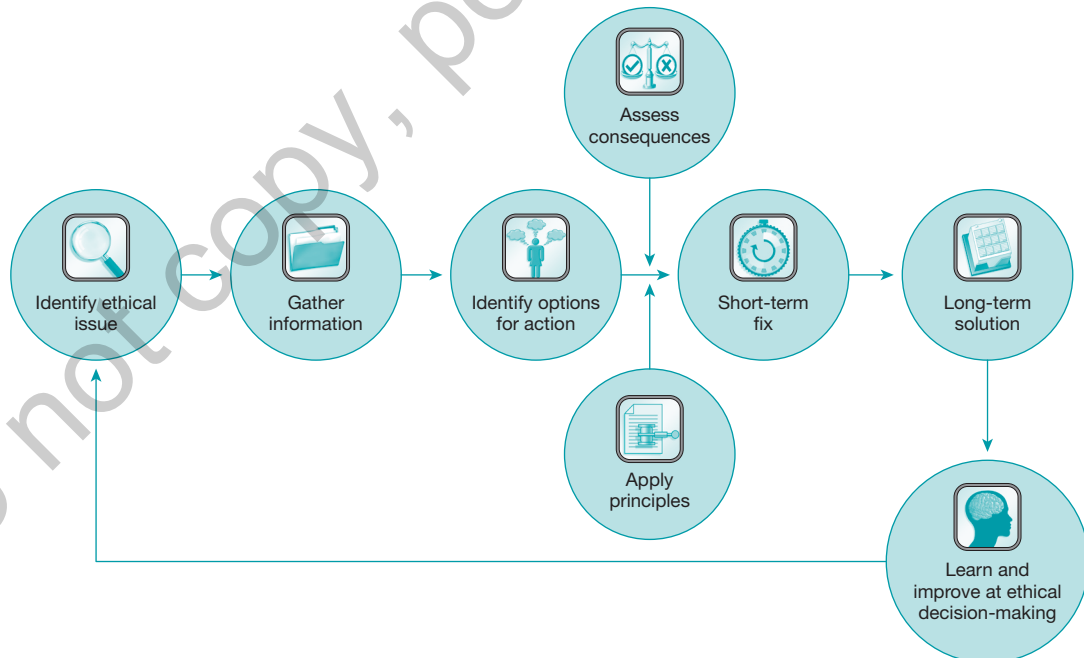
A Commonsense Method of Making Ethical Choices: The Weight-of-Reasons Framework

LO 1.5: Explain how the weight-of-reasons framework leads to addressing root causes and not just implementing quick fixes.

In this book, we provide a commonsense method to make ethical decisions in a more reasoned manner. It is the “weight-of-reasons” framework laid out in Figure 1.1. Benjamin Franklin, a doer and thinker who achieved much of value, first proposed the weight-of-reasons framework in 1772 in a letter to Joseph Priestley. The gist of the approach, captured in the quotation from Franklin at the beginning of the chapter, is to carefully consider the pros and cons of the actions we take based on an understanding of the issue and facts.

Franklin opposed impulsive decision-making. He referred to his approach as a moral or prudential algebra.⁶ As you make an ethical decision, you may come to the realization that you have seen an issue before and it fits into a pattern, in which case, your thinking requires less deliberation. However, in situations where you feel your intuitions are pulling you in contradictory directions, you need to apply the framework to identify options, generate new solutions, eliminate core factors that brought the problem to the forefront in the first place, and build a higher level of aptitude within yourself and your organization for making ethical choices.⁷

FIGURE 1.1 The Weight-of-Reasons Framework for Ethical Decision-Making



In using the weight-of-reasons framework, we reflect on our behavior by addressing the following questions:

1. What is the key ethical issue we face?
2. What are the major facts that have bearing on this issue?
3. What are the main options to address it?
4. What are the likely consequences—the *pros and cons* of following through on these options?
5. What key principles must we uphold regardless of the consequences?
6. What should we do *now*?
7. What must be done *over time* to address the issue's root causes?
8. What can be learned that is of lasting value to ourselves and our organizations from engaging in this process?

Understanding the Framework

The weight-of-reasons approach is a “commonsense” approach to ethical decision-making.⁸ Common sense means being realistic about the constraints on our reasoning (Figure 1.2). We do not have unlimited facts. We must do the best we can with what we have. Our rationality is bounded, we are under time pressure, and face uncertainty. We can gather more information to try to make better decisions, but these decisions are likely to be satisfactory ones and not perfect ones.⁹ However, a less-than-perfect choice can be a platform for feedback, enabling us to carry out further inquiry and analysis, search for causes, and come closer to correcting a problem.

In using the weight-of-reasons framework, we need to recognize that ethical dilemmas are symptoms. Our initial ways of dealing with them puts us on the road to discovery wherein we can understand better a dilemma's root cause and create a plan to address it. The weight-of-reasons framework should help us arrive at such an approach. Rarely does it provide a perfect solution. When there are limits on our time, thinking capacity, and other resources, we should use the framework, but accept that no matter how far we go with it, the outcome will have some limitations. Since there is always

FIGURE 1.2 Commonsense Ethical Decision-Making

Commonsense ethics means the following:

- Knowing when to trust your intuitions and when to engage in reasoning
- Doing the best you can with the resources you have
- Coming up with quick fixes and also over time developing long-term solutions that address underlying root causes

room for improvement, we should apply the framework in an iterative fashion. Using the framework in this way means that we are doing more than “putting out fires”—developing short-term fixes to recurring immediate problems, while ignoring their underlying causes. We may have to start with a quick fix, but over time, if the dilemma is repeated, then we can work from an initial solution toward a longer-term answer that addresses the root causes and helps prevent the dilemma from arising again.

That is the ultimate goal—admittedly a lofty one. Seek to address the dilemma in the short-term but consider why it arose and try to put arrangements in place that will preclude, to the degree that this is possible, its recurrence. As we discuss in Chapter 5, addressing underlying problems means being ready to establish learning processes that progressively uncover different aspects of issues and generate alternative courses of action.

A significant advantage of the weight-of-reasons framework is that it enables you to lessen regret and minimize the remorse you might otherwise feel if you only acted based on intuition. As Franklin suggested, the aim of relying on the weight of reasons is to ensure that you do not make *rash decisions for which you feel remorse later*. If you sincerely adhere to the framework, you will have better assurance that you and your organization have engaged in a process of due diligence before you take action. Applying the framework is not simple, however, and it requires creativity. Adhering to it should not be viewed as a bureaucratic routine, an exercise in “checking boxes.” Like any tool, it can be applied insincerely. You must open yourself to it. Otherwise it will not lead to better choices.

The commonsense weight-of-reasons approach is consistent with the perspective of America’s greatest contribution to philosophy: the tradition of pragmatism. Unlike other Western philosophers, pragmatists, including Charles Sanders Peirce, William James, George Herbert Mead, and John Dewey, believed that the purpose of thinking was not to develop a more accurate picture of reality—which is probably unknowable—but rather simply to solve the practical problems that we come up against. In the process, we make improvements in society without any pretense that these improvements will be utopian in nature and usher in perfection.¹⁰ The pragmatic nature of the weight-of-reasons approach, however, should not be taken to mean that the framework does not involve principles. In fact, it incorporates the two major philosophical approaches to ethics in that it focuses on consequences and duty. We discuss these approaches further in the next chapter.

Though we often refer to the framework as a tool that you can use *as an individual*, it would be best to carry it out by interacting with people in your organization and outside it. We need external checks on both our intuitions and reasoning. When time and resources permit, decision-making processes involve teams of cognitively diverse members who share common goals. Being an ethical agent entails refining our intuitions and reasoning as members of a community. The community in all likelihood possesses practical wisdom and experience that we may lack, and thus, reliance on it can improve the decisions we make. The role of groups in ethical decision-making, however, is complicated, and the culture and climate of an organization can influence managers to make bad decisions as well as good ones. Chapter 4 discusses how teams and organizations influence ethical decision-making, Chapter 5 deals with the question of how to curb the potential abuses of group decision-making, and Chapter 6 addresses the question of how to build an entire organization that supports using frameworks such as the weight of reasons.

Medical Products: The Complicated Business of Addressing Risks

LO 1.6: Apply the weight-of-reasons framework for ethical decision-making.

The best way to begin to understand the weight-of-reasons framework is to use it to address a sample ethical dilemma.

MEDICAL SALES CALL

This case requires you, as a salesperson for a medical products company, to have a sensitive discussion with a prominent surgeon about a particularly difficult operation she might be called on to do for a patient. This patient has a serious, but not necessarily life-threatening, problem, which causes her a considerable amount of discomfort and makes everyday activity difficult. The surgeon asks you as the salesperson, “What is the ‘best procedure for my patient?’” She is not looking for just any procedure, but the best one. Your company has a long-standing relationship with the surgeon who, like others in her field, takes the views of salespeople very seriously since they bring to the surgeon’s attention information about new developments that might assist her in providing the best care for patients.

Your company supports two approaches to addressing the patient’s problem. One relies on abdominal incisions and the other on vaginal ones. Based on your experience, you believe both these approaches *probably are adequate* for dealing with the problem the patient has. However, you just saw a demonstration of a new procedure that is carried out laparoscopically, or in a minimally invasive way. This procedure was developed by your competitor, who claims that it can produce *better clinical results*. In a study your competitor sponsored, the overall complication rate was just 3.6% as opposed to 10.3% for the abdominal incision and 4.9% for the vaginal incision (see Table 1.1). What should you say to the physician when she asks you what she should do?

TABLE 1.1 **Complication Rates With Abdominal and Vaginal Incisions and Laparoscopy**

Complication Rates	Abdominal Incision	Vaginal Incision	Laparoscopy
Hemorrhage	3.4	2.4	1.8
Acute myocardial infection	0.2	0.3	0.0
Postoperative fever or infection	4.0	0.0	0.9
Intestinal obstruction	0.4	0.0	0.0
Urinary complication	0.6	0.3	0.0
Bladder injury	0.2	0.3	0.0
Accidental perforation of blood vessel, nerve, or organ	1.5	1.6	0.9
All complications combined	10.3	4.9	3.6

Your company makes \$17,800 in profit per physician use of the incision-based procedures it supports, plus you earn \$6,250 in commission. By age 80, 18% of all women will have some type of procedure like this performed, or else their lives will be seriously impaired. Nonsurgical solutions can be used for a limited period. Ultimately, a patient is likely to need a surgical procedure to correct the problem, but there can be long-term complications associated with the surgery no matter how it is carried out. The after-surgery complication rate for the incision-based procedures your company supports has been high—a large percentage of women must have the procedure done again or they require a repair after the original surgery is carried out, which has risks of its own.

With the new noninvasive procedure, the precise after-surgery complication rate is not known, though the company that sells the procedure claims it is almost certain to be lower. On the other hand, a disadvantage of the new procedure is that 3 hours are needed to perform a laparoscopic operation, as opposed to only 1 hour via abdominal or vaginal incision. In addition, the patient must have a general anesthesia as opposed to a local one. However, an advantage of the laparoscopic procedure is that it is likely the patient can resume normal life and go back to work in two weeks as opposed to six weeks with an abdominal or vaginal incision.

You take seriously that under Section 5 of the Federal Trade Commission Act you are not allowed to deceive or mislead a customer when the customer asks a question like the doctor posed. Your company drilled the awareness into you that you should never lie or deceive a customer. The laws of the U.S. government mandate that you cannot make a fraudulent claim, including one of omission where you leave out relevant information. Any claim you make must be substantiated, which means it must be backed by tangible and quantifiable proof.

U.S. law also makes it illegal to slam the competition. A competitor that believes you have made unfair or inaccurate statements can register a complaint against your company and sue. Any suggestion that your product performs better than a competitor's must be supported by solid evidence. These rules

apply to companies selling a product, advertising agencies, web masters, and salespeople.

Although the laws that prevent fraudulent claims reflect ethical principles, they are not easy to enforce. The problem is that the government must bring a case against each business that may violate the law, an expensive and time-consuming process that puts a large burden of proof on aggrieved parties and on government attorneys. Very few cases are pursued relative to the large amount of fraud that takes place. Federal Trade Commission laws cannot prevent all the fraud that takes place and all the misleading advertising claims companies make.

Your company has trained you to be practical, think for yourself, exercise good judgment, and show moral self-restraint. So how are you going to respond in this instance? And how would you explain your decision to the supervisor to whom you report?

You do not have much time to work through what you will do, and at the moment, you are feeling very conflicted. Your inclination is to favor the product you have been selling and to tell the physician to use the vaginal or abdominal incision since it is the product you have been hired to sell. It is the product you know the best, and it is a proven procedure. You have sold it to many surgeons and earned monetary rewards for your company from it many times in the past. The surgeon asking the question has successfully carried out past surgeries. You ask yourself, why make a change? You note that the surgeon herself is not a disinterested party and she earns a considerable sum when she carries out the procedure.

The procedure you are selling does have some advantages. It takes less time than laparoscopy. The patient would not have to undergo general anesthesia. The hospital therefore would save money. The doctor has experience with your product. It is unlikely she could do the surgery with the competitor's product, for which she has not been trained, so she would have to withdraw from the case and hand off the patient to another physician. She would not earn a fee. The patient would lose her tie to the doctor who has cared for her until this point and would have to establish a trusting relationship with another physician. Would the patient appreciate this change?

(Continued)

(Continued)

Your sense is not to tell the physician what you know about a competitor's procedure because it is her job to understand the options for her patient. However, you are concerned that the physician already knows about the laparoscopic alternative, though she may not be fully informed about the recent tests that showed its superiority. She may be testing you to see how up-to-date you are. She may ask you to compare the two procedures. She may be seeking a recommendation from you to use a procedure that

she herself knows may not be the best option for the patient; then she could avoid criticism and responsibility if something went awry. She could blame it on the company and the salesperson who recommended the procedure without informing her about the alternatives. You want to treat the situation as just another business transaction and avoid answering the physician's question. The situation is making you very uncomfortable. Your anxiety grows and you do not know what to do.

Applying the Framework

The weight-of-reasons framework can help you engage in further reflection and systematically address this dilemma by comparing options, assessing consequences, applying principles, and arriving at short- and long-term plans for dealing with the problem.

Identify the Ethical Issue

The *issue* is how you can provide the patient with a procedure that minimizes her risk and results in as fast a recovery time as possible with the least likelihood of permanent damage, while at the same time fulfilling your obligations as a salesperson to your company.

Gather Information

The *facts* are all of those above. They include that you saw a competitor's less invasive product demonstrated with the claim of fewer complications and quicker recovery times. The less invasive procedure involves less chance of doctor error. However, it is also true that your product has been on the market for a long time, the procedure it supports takes less time to do, the doctor is more practiced in using it, and it relies on local rather than general anesthesia, all of which benefit the patient.

Identify Options

For now, the *options* are that the surgeon could (a) use one of the procedures your company supports because she has experience in using them, and is likely to get good patient results. The odds are in her favor, and there is no need to break with the status quo. However, you also could (b) suggest that the surgeon refer the patient to a doctor who has been trained in using the new procedure, if you believe the results for the patient would be better, in accordance with what the surgeon asked,

inasmuch as she was seeking the “best” procedure for the patient. Or you could (c) suggest that the surgeon and the patient delay taking any action until more information is available, so they can make a more informed comparison of the probable outcomes of new and old procedures as they become available. After all, the ailment from which the patient suffers is not immediately life threatening.

Assess Consequences

The *consequences* of pursuing these options are as follows:

- Option 1 would mean increased revenue for your company, a commission for you, a fee for the surgeon, and, for the patient, a surgery that has high odds of success but is more invasive and therefore more risky, though it takes less time than the new alternative you have seen demonstrated.
- Option 2 would mean no revenue for your company and the surgeon, no commission for you, and, for the patient, a procedure that is less invasive and risky but is more time-consuming, has been used less frequently, and requires general anesthesia.
- Option 3 would result in foregone income for you, your company, and the surgeon, and no treatment for the patient for now. Delaying may mean the patient continues to be uncomfortable, but her life would not be threatened and she may be able to get by for the time being with a temporary nonsurgical fix that partially reduced her discomfort.

Apply Principles

Your *principles* are to maintain the trust of the surgeon and patients. They are your customers, and you must serve them by providing them with the information they need to make decisions that protect and benefit their health.

Take Short-Term Action

The *short-term actions* you decide to take are as follows:

- Remind the surgeon that you represent your company.
- Tell her she should feel free to consult with experts besides you, as you have a vested interest and better knowledge of your company’s procedure than those of other companies.
- Explain to her what you found out about the laparoscopic procedure, adding that you do not represent the competitor’s product and that your knowledge is incomplete.
- Suggest to her that if she wanted to know, more she could go elsewhere, such as to the competitor, other doctors, or the hospital.

- Advise the surgeon that the decision about which procedure to use ultimately rests with the patient, and tell her it probably would be best to confer with the patient and obtain her informed consent.
- Indicate that the patient could get a second opinion from a physician who does the laparoscopic procedure.
- End by restating that the patient needs to be well-informed, and to the extent possible, must control this decision that affects her life.

In providing this response to the physician's question, you accept that it may mean that neither your company nor the surgeon ends up carrying out the procedure and earning money from it.

Arrive at a Long-Term Solution

The *long-term action* you decide on after your discussion with the surgeon is to go back to your company and your supervisor to address the underlying cause of the dilemma. You wish to convey the following to your supervisor:

- The issue is not likely to be a one-time problem.
- The introduction of the competitor's product is likely to have long-lasting impacts on your company's strategy, so the company needs to reconsider its strategy.
- Your company's job is not just to sell this product; its role is to be a trusted source of information for doctors and patients.
- Your aim is to cultivate long-term relationships based on a reputation for honesty and reliability.
- Your desire is to ensure the good name of your company and maintain its reputation.
- The company therefore needs to undertake a systematic comparison of when, under what conditions, and *if* its products remain safe and viable for patients.
- If the product does not have a future, the company should consider *not* offering it for sale.
- If the product still is viable, the circumstances under which this is the case should be clearly spelled out.

You tell your supervisor that you want to work with the company to gather additional data on patient recovery, risk, and other product attributes like cost, track record, and ease of carrying out the procedure and what steps the company should take next.

Learn Lessons From the Situation

Your company needs to be on top of situations such as this. That means working with doctors, insurance companies, and hospitals that administer the procedure to understand when and if a procedure is still valid to use, under what circumstances, and for what type of patient. If a product is not competitive, or just weakly so, and it poses avoidable risks and can cause unnecessary harm, your company should explore options such as ramping up R&D to catch up with the competitor or phasing out or even abandoning the product. If the product ultimately is inferior and has other negative attributes, and the risk to the patient in using the product cannot be reduced, sales might have to be halted. Legally, the company might be subject to lawsuits for continuing to sell the product and its reputation could be seriously impaired. On the other hand, if the product still has some valid uses in particular circumstances, then the company should have a policy of selling it *only* under these conditions.

The company, moreover, must be aware that it is likely to face situations like the one this dilemma presented again when a product it sells is surpassed by a competitor's product on some product attributes. It needs to have policies and routines in place for how to deal with this type of issue, for in the fast-paced world of medical innovation companies' products are regularly leapfrogging each other.

Beyond Your Intuitions

By addressing this dilemma using the weight-of-reasons framework, you gain an *understanding that goes beyond your intuitions* about the situation and what you and your company should do. You broaden your perspective to understand the larger implications, not only for your company but also for the physicians, hospitals, and patients you serve. As a medical products salesperson, next time you face a question about which treatment would be right for a patient, you can draw on the lessons learned from this case.

Some Pointers in Using the Framework

This process of using the weight-of-reasons framework is one of performing due ethical diligence. By applying the framework, the medical product salesperson in the case sees that the right thing to do is to put patients' needs first and provide them with the knowledge they require to make better choices. The case also should help you understand that applying the weight-of-reasons framework correctly is not easy. The framework provides a check on one's intuitions rather than a means of reinforcing or rationalizing them. The following are some pointers to apply the framework effectively.



Step 1: Identifying the Issue

The process of applying the weight-of-reasons framework begins with the recognition that an ethical issue exists. Social psychologists refer to this first moment as **sensebreaking**, in which we recognize that something unusual has happened and that

Sensebreaking

The disruption of sensemaking by an unusual event or contradictory evidence

Cognitive dissonance

The mental discomfort that one feels when evidence contradicts one's beliefs or expectations

Sensemaking

The process of identifying, interpreting, and acting on information from the external environment

Framing

The process of perceiving particular information from the environment and attaching specific meanings to it

something may be amiss. In these moments we experience **cognitive dissonance**.¹¹ When we recognize that what we have perceived does not match our expectations, we feel discomfort, are aroused from mindless decision-making based on habit, and start to pay attention.¹² At this point, however, we tend to suppress and resist these feelings rather than taking them as an invitation to make changes. We display what social psychologists have called moral muteness and hope that the dilemma just goes away. But if we can get beyond this feeling, we move to **sensemaking**, or trying to identify, interpret, and act on the information we have.

When an ethical problem arises, a common reaction is to ignore it. Although the dilemma is troubling, and at an emotional level ties us up in knots and makes us anxious, afraid, and annoyed, our tendency may be to downplay it rather than deal with it. In fact, it is because it makes us anxious, afraid, and annoyed that we want to downplay it. In addition to ignoring and suppressing the problem, and dismissing it, our tendency is to frame the problem as something recognizable so that we can address it without thinking.¹³ In doing so, we tend to choose categories that enable us to relieve our concerns and anxieties rather than forcing us to confront them. (“Oh, that’s an engineering problem, so it’s not my problem.”) **Framing** helps us understand our environments but often leads us to have false or incomplete understandings.

Framing can lead us to avoid calling a dilemma “ethical.” If, for example, you frame a dilemma as being solely a “practical” matter, judgment call, or strategic issue, then you may confine your thinking about it to economic and technical considerations—and ignore ethical ones. In the role of the medical products salesperson in the case above, it would have been easy for you to just continue to recommend your product even if you had a nagging feeling that this course of action was not the right one to take.

Even when we frame a dilemma as an ethical one, we may frame it in a particular way that captures some of its ethical aspects but misses others. Framing a dilemma as being about “honesty” may trigger different thinking than framing it as being about “fairness.” While both may be valid, seeing it in one way means not seeing it in the other. In the Medical Products case above, if you had just framed the problem as addressing the needs of the patient *by offering a less invasive product*, then you would not have made much headway. Framing the dilemma more broadly as how best to serve the “needs of the patient” made it possible to make progress. Framing it in this way was better for your company as well.

Therefore, we have a number of recommendations for how to better frame ethical dilemmas.

- *First, do not ignore intuitions that are ethical—pay serious attention to those feelings inside you that tell you that someone, maybe yourself and others, might be hurt by what you choose to do or not do. When you have suppressed or dismissed a dilemma but still have discomfort that something is amiss, take that as an opportunity to use approaches to reasoning such as the weight-of-reasons framework to identify and move toward a solution. You may realize that what may seem like a purely economic matter is legitimately an ethical matter that involves potential harm to you or others.*

- *Next, when listening to this intuition, do not assume that the first instinct you have is the best or final way to take action.* Consider alternative framings. You may be highlighting consequences for just a single stakeholder. What you deem a matter of focusing on the interests of this stakeholder probably also involves consequences for other stakeholders. Also, invite people other than yourself to participate in the decision-making process, especially people with backgrounds and experiences different from yours. This can be very helpful in broadening the way in which you frame an ethical dilemma.
- *To effectively frame a dilemma, start by asking some of the questions presented in the framework.* This is especially important when you face an immediate problem, and there is little time and few resources. Even if you do not ask all of them, at least ask some of them before you act. Consider the facts, for example. Consider what you know and do not know. Ruminates a bit about your options. You can then initiate a process of going deeper, refining what you can do and what you need to know, and exploring alternatives to arrive at better short- and long-term plans of actions.



Step 2: Getting the Facts

Once you identify the issue, the next step is to gather information. This may sound obvious, but in fact, humans have a tendency to skip this step. They tend to “fill in” the facts they expect to see. Managers may say things like, “Let me handle this; I’ve seen this kind of thing before.” They end up substituting their preconceived notions for the facts. A related problem to avoid is confirmation bias.¹⁴ In gathering facts to address ethical problems, people often find the facts that they are looking for while ignoring, suppressing, or failing to see facts that contradict their preconceived beliefs. If you think the problem may be that “Joe cut corners again,” you will go looking for evidence that Joe did so, fail to see evidence of other explanations, and maybe even discount information that Joe did his job well.

People in organizations also tend to focus on individuals but ignore more systemic drivers. This is known as fundamental attribution error.¹⁵ We tend to put blame on individuals rather than trying to understand problems from a broader perspective. Did Joe actually cut corners again, or is everyone in the company cutting corners because of the perverse incentives management put in place? Consider the recent Wells Fargo fraud case as an example. In this case, employees throughout the organization were cheating customers, taking actions such as signing customers up for new products and services they had not requested, and then charging them fees on their accounts. This fraud was not carried out by a few dishonest employees who cut corners but rather resulted from top-down pressure from corporate leaders, who made it essentially impossible for any employee to succeed in the company without cutting corners. To date, Wells Fargo has paid \$185 million in fines over the case, and the company still faces many ongoing lawsuits. This case led to Wells Fargo’s Chief Executive Officer John Stumpf’s resignation. A case at the end of the book gives you the opportunity to consider the Wells Fargo scandal more carefully.

Finally, in gathering information about an ethical dilemma, *make sure the facts are major ones that have a bearing on the issue*. It can be easy to jump in and start fishing for information without really considering what information you need, or where you are most likely to find it. Distinguish between relevant and irrelevant facts. Realize that in some instances there are too many facts and they are hard to interpret. In other instances, recognize that critical information is missing. Make inferences from what you know but do not go too far afield. When there are important uncertainties, admit to them and seek to reduce them.

Ideally, you will apply the weight-of-reasons method more than once as more information comes to light. The underlying dilemma is not going to vanish immediately, and you must be patient that each stab your organization makes at resolving it will bring it closer to a better solution. In the Medical Products case above, the salesperson's answer to the physician is just a start in the company reexamining its long-term strategy.



Step 3: Identifying the Options for Action

As with identifying the issue and gathering information, identifying alternative courses of action involves going beyond your first intuitions. In identifying courses of action, it is important that you do more than consider courses of action your organization has taken in the past. While you certainly want to draw on the past and think about what has worked before, this will not be enough because each dilemma is likely to be unique. Therefore, it is important to consider how actions you have taken in the past need to be modified, combined, or discarded altogether to address the issue you now face.

You must be creative and imaginative in identifying options your organization has not taken previously. Because past experiences have such a strong bearing on how we approach problems, generating a new or creative alternative may be difficult to do by yourself. Therefore, you are likely to benefit by working with others to assess options—especially people who are trusted for their judgment but have the boldness to take a different perspective.

While it is important to be imaginative, it is also important to *list real options your organization actually would carry out*. You can brainstorm and create many options and then compress them. In theory, the number of options might be infinite, but only three or four can be considered realistically. If an option is with little doubt illegal, immoral, impractical, has no merit, or would be hard to justify, why even consider it? The options you consider should be imaginative, practical, and realistic and should be developed in sufficient detail so that it is clear how they would be carried out.



Step 4: Assessing the Consequences

Step 4 of the weight-of-reasons approach, assessing consequences, is where the “weighing” in the weight-of-reasons approach actually takes place. In this step, you must figure out the various parties who have a stake in your decision and the extent to which they will benefit or be harmed. Doing so is not easy, because again, you will most likely be inclined to rely on past experience rather than consider the

consequences with fresh eyes. If you have done a good job of identifying the issue in Step 1, then you should already have ideas about the stakeholders who should be incorporated into your thinking and how they will be affected. Still, at Step 4, it makes sense to revisit the matter to make sure nobody has been left out.

One complication that arises in this step is that the consequences of an action are often unpredictable. You must always keep in mind *the law of unintended consequences*—that actions always have unanticipated effects, especially in complex, fast-moving situations.¹⁶ Furthermore, for any affected party or stakeholder, there are many consequences to consider. You must try to be aware of long-term as well as short-term consequences. For a company, you have to consider not just immediate quantifiable outcomes, such as cost and revenue impacts, but also things like long-term reputational effects.

Try quantifying the consequences, even though doing so is likely to be frustrating. Start with verbal logic that articulates what you think the outcome might be, and why, and then move to quantifying the costs and benefits. Do not be deluded by quantification; you should not assume that because you have put things in numbers you are done analyzing the problem. Numbers provide only part of the picture, and the numbers you use may be no better than rough estimation.

If you are time constrained, as is often the case when addressing an issue, your goal is to do a satisfactory analysis in the time available. Acknowledge that uncertainties will remain. To know all the consequences is not possible. In further iterations, if this opportunity presents itself, you can become more precise. Keep asking others for their opinions. Do not be fooled that you have solved the problem of understanding the consequences once and for all. You still may be relying on many assumptions, some of them questionable.

The Weight of Reasons: A Table of Pros and Cons

To evaluate the likely consequences of the options on stakeholders, you can prepare a table like Table 1.2, which depicts the pluses [+] and the minuses [-] of each of the options on stakeholders. You can find an example for the Medical Products case in Table 1.2.

- When filling out the table, use these designations: If an effect is *positive*, apply the symbol +, ++, or +++ for low, medium, and high positive. If it is *negative*, apply the symbol -, --, or --- for low, medium, and high negative. If you cannot determine if the effect is positive or negative, insert a question mark (?) or many question marks (???). How many pluses and minuses to give and how much weight to assign to short-term versus long-term outcomes is difficult.

Be careful of biases in filling out the table. Consider both immediate and long-term effects. A consequence may be both positive and negative when one considers both the short term and the long term. For example, making working conditions better could cost money in the short term but lead to a better reputation and more sales in the long term (as well as benefitting employees). Thus, in the same box, you can have both pluses (+) and minuses (-). Separate them by a /. Mark the short-term impacts first and the long-term

impacts next. Thus, if your intent is to convey that the short-term impact is negative while the long-term impact is positive, you would mark a $-/+$. If you mark a $+ +/ -$, you are relating that the short-term impact is very positive, while the long-term impact is negative.

- For each box in the table, summarize the reasoning that you have used to arrive at your conclusions in just a few words. Try not to just copy and paste the same words from box to box. The reasoning in each box should be unique and accurately summarize your justification for the symbols that precede it.

TABLE 1.2 Pros and Cons Table for the Medical Products Case

Options	Consequences				Conclusion
	Patient	Surgeon	Company (Shareholders)	Salesperson (You)	
1. Use the company's product	$- -/ - -$ Risk of complications $+ $ Takes relatively little time	$+ $ Increased revenue	$+ $ Profit of \$10,800	$+ $ Commission of \$3,600	$- $ Risk of complications now and in future outweighs financial benefits though using company's product takes less time
2. Send patient to surgeon who uses alternative procedure	$- +/ + + +$ Less invasive and risky surgery More time-consuming surgery	$- -$ Foregone revenue	$- -$ Foregone profit of \$10,800	$- -$ Foregone commission of \$3,600	$-/+ $ Foregone revenue, profit, and commission and time-consuming surgery may be offset by less long-term invasiveness and risk
3. Delay until more information is available	$-/+ + + + +$ More informed comparison of options Patient's health not immediately endangered	$- $ Delayed or foregone revenue	$- $ Delayed or foregone profit of \$10,800	$- $ Delayed or foregone commission of \$3,600	$-/+ + $ Foregone revenue, profit, and commission probably offset by no danger to patient and more informed comparison of options in future

- Reach, to the extent possible, a bottom-line conclusion (the last column). If you do not have a bottom line, then you have not completed your work. Ben Franklin suggested a canceling method, in which positives and negatives that seem to be roughly equivalent are eliminated. Eliminating offsetting items in this way makes it easier to see if the positives outweigh the negatives, or vice versa.



Step 5: Applying Principles

While calculating the “weight of reasons” (i.e., the consequences—Step 4) may provide you with comfort that you have thoroughly analyzed the dilemma, your analysis is not complete. Your goal should not be just to create a systematic analysis of the pros and cons of particular actions; you need to also reflect on how these actions would enable or prevent you from realizing your principles. One reason to incorporate principles into your analysis is that they provide a different view of what it means to take an ethical action. Calculating benefits and harms is important, but so are other considerations such as rights, fairness, and compassion. In Chapter 2, we will discuss such perspectives on ethics in further detail.

A second reason to bring in principles is that as noted, you *probably do not know and probably cannot know all the consequences* of your actions. Since your analysis of consequences is probably incomplete and flawed, it makes sense to bring in other viewpoints too. If you could determine for certain what all the consequences would be, perhaps principles could play a smaller role.

Finally, principles are important because pros and cons can be manipulated to find the “right”—that is, easy and convenient—answer. This is because the consequences of an action are so extensive and hard to predict.¹⁷ Applying principles keeps you honest. As such, it guides you toward a more ethical choice and away from justifying initial intuitions without reflection.

In deciding what principles to apply, you might start by consulting an organization’s public declarations of values, such as its mission statement. These help clarify the organization’s priorities. Which stakeholders should you serve first? Customers? Patients, in the Medical Products case? Or should it be shareholders? Or someone else?

Following the adage that your principles consist of what you do “when other people are looking,” it is worthwhile in clarifying your principles to step back and ask questions such as the following:

- Can I defend these principles to the company’s board of directors?
- Can I explain them in court?
- Can I explain them to the media?
- Can I explain them to my fellow workers?
- Can I explain them to my family?
- As a consequence of following these principles, how will I feel about this decision a year from now?
- Would this decision seem right 20 years from now when someone writes my biography or a history of my organization?

These questions are worth pondering, but they also are very general. Therefore, it is also important to *apply principles appropriate and specific to the dilemma at hand*. These more contextual statements of principles should be short, precise, and to the point; no more than a single phrase may be needed. The principle applied in

the Medical Products case above, to provide the patient with as much information as possible, is both abstract enough that it could be applied to any number of ethical dilemmas and also very relevant to the situation at hand.

After applying principles, it becomes clearer what to do. The preliminary bottom line based on the weighing of consequences may be reinforced or rejected. Your principles should give you greater assurance about what you should do. Assessing consequences is just a first step. Applying principles leads to the development of a course of action.

Even as we apply ethical principles, our intuitions are still in play. As we discuss in detail in Chapter 3, humans have evolved to possess intuitions that correspond to ethical principles. We have intuitions to care for and protect others, treat them with dignity, and protect them from harm. Paradoxically, though, while our ethical intuitions help us make quick decisions, through rationalization they can also lead us to take unethical actions. Furthermore, most of us rely on and develop particular ethical intuitions but not others. This means that by applying principles to an ethical dilemma, we can improve on our intuitions. We may surface ethical principles that our intuitions did not evoke, or we may reach conclusions and develop solutions that contradict our initial intuitions. Even when analysis based on principles confirms our intuitions, it is still useful because it helps us articulate them and explain them to others.



Step 6: Taking a Course of Action

Once the action options identified in Step 3 have been evaluated based on consequences and principles, you are ready to identify a course of action. While this plan can draw on the options identified in Step 3, it need not be confined to them. Your analysis of consequences and application of principles may stimulate new thinking; you may find that rather than choosing one option from those already identified, you must creatively combine options or develop new options that incorporate elements of the already-identified ones. As you examine options and see the strengths and weaknesses associated with them, other ideas will come to mind about how to modify or combine them. While you need not continue identifying options until you have found the perfect solution, if you see ways to generate a new option, then do so.

The more carefully you craft your plan of action, the more effective you are likely to be. At the same time, if you are operating within a very uncertain environment, one that is very complex and rapidly changing, it will make sense to plan only one or a few moves and consider how the actions turn out.¹⁸ In identifying concrete action steps to implement your plan, consider how others might respond and how to obtain additional critical missing information.

Short-term quick fixes may be difficult to develop and implement. You should expect to make mistakes; when dealing with complex dilemmas that you do not fully understand, you might have to change direction as you implement your plan and learn more. As discussed in Chapter 5, experimentation and trial-and-error learning is a part of the process. Be flexible once you start, and learn from the feedback you receive. It may not make sense to “throw good money after bad,” so avoid making significant resource—and psychological—commitments.¹⁹

Be aware as well of the political opportunity structure.²⁰ Unless you prefer being a martyr to being effective, there is no point in identifying a course of action that is not politically feasible. In considering what is politically feasible, you must consider your own sources of power and your ability to make change. With whom can you form a coalition to accumulate sufficient collective power to address the ethical dilemma effectively? Unless you are a very powerful actor, you are likely to accomplish little alone. In Chapter 4, we discuss the politics of carrying out ethical actions despite likely resistance.

In responding to a pressing ethical dilemma, your “quick fix” is a temporary solution that may prevent harm from occurring but does not address the underlying problem. The problem could be a deficient organizational culture, unethical leadership, or outside pressure from stakeholders with conflicting interests (e.g., shareholders who want maximum quarterly profits, while government or activists insist that you abandon a project or make big new investments). While the issues you face demand a short-term response, you cannot stop there.



Step 7: From Short-Term Fix to Long-Term Solution

The quick fix is not the end of the decision-making process but rather a first step in developing a long-term approach. The quick fix should lead you in the direction of the root cause. You need to get underneath the presenting issue and search for the underlying causes and a way to manage them. A root cause analysis typically carries a business forward to making changes in strategy—thus, connecting ethics and strategy. In the Medical Products case, the company should come to the realization that it might have to withdraw the product in question from the market and do the requisite R&D to find a good replacement. In Chapter 9, we further explore the link between ethics and strategy.

In other words, you should not allow ethical problems to be *recurring and unstoppable events*. If you do face a never-ending series of similar events, then it means there is something that must be addressed more fundamentally.

It is unlikely that you can undertake a thorough and systematic process of getting at root causes by yourself. Such an effort necessitates a collaborative approach with many parties within the organization as well as outside stakeholders. When organizations approach ethical problems in this way, it is more likely they will be able to avoid the individual and group decision-making errors we discuss in Chapters 3 and 4. It is more likely they can uncover and address underlying causes that, if not addressed, fester and appear again and again, perhaps not in the exact same form but originating in the same sets of causes.

As you move from quick fixes to long-term solutions, you must take on the role of change agent, seeking to stimulate more impactful actions that address the underlying issues. In this role, you may find yourself doing the difficult work of establishing new stakeholder relationships and partnerships, building coalitions, and assembling resources in an effort to catalyze fundamental organizational changes, start new ventures, and even stimulate public policy changes. Such work requires dogged persistence as well as creativity, as you address seemingly irreconcilable conflicts and paradoxes. In later chapters, we discuss in more detail the difficult work of moving

from quick fixes to long-term solutions. In Chapter 5, we examine how to work with others in your organization to build toward long-term solutions, and in Chapter 8 we discuss how to work with outside stakeholders.



Step 8: Learning From Experience

A critical, final step in applying the weight-of-reasons framework is “closing the loop”—that is, translating the lessons learned from addressing the ethical problem into an approach that can be drawn on the next time a similar problem arises. As noted, when you first address an ethical problem, you may have conflicting intuitions about how to address the problem. The weight-of-reasons approach may disconfirm initial intuitions and help you develop new ones that you will draw on as you face problems in the future.

In addition to refining your intuitions, learning from experience means creating a database of ongoing solutions that you can consult. This database can be both mental and organizational. Organizations use blogs, wikis, project reporting systems, and other tools to record knowledge they have gained over time so that it can be transferred around the organization to whoever needs it. By consulting these resources, managers can make more informed decisions when new ethical problems arise.

Use the Framework Organically

Although Figure 1.1 presents the weight-of-reasons approach as a linear process, in fact, the approach works best when done iteratively. Follow your stream of consciousness, and let the process develop organically. Brainstorm the sequence of steps you take with a group, if you are able to work with others, before systematically organizing your thoughts. In the end, go back and rearrange your impressions into a logical pattern that conforms to the framework.

How you arrive at this pattern is likely to be complicated; it will not necessarily roll out in an orderly way. Working with others can help eliminate your biases and help you check tendencies that can lead to dead ends. Trusted partners can assist you in imagining possibilities you would not contemplate yourself. Perhaps you and those with whom you work choose to start with the facts. You might then move to a plan of action, and as you do, you come to better understand the issue you are facing. Or you might list options and their likely impacts, realizing as you go that you need to clarify the facts and gather missing information. Still another approach is to start with principles. You may decide upfront that because of your principles there are certain actions that you would not take, meaning they need not be considered in Step 3. Or you may decide that some stakeholders are your highest priority, which will shape how the approach to assessing consequences in Step 4.

There are many possibilities. The key is to try to ultimately cover all of the steps. Research shows that many decision-makers have a bias for action, which means that they start to pursue a course of action (Step 6) without ever really

defining the problem (Step 1) or considering and evaluating the alternatives (Steps 3–5). The best of all possible worlds is when you and others in your organization use the entire weight-of-reasons framework to guide your responses to ethical problems. However, under time pressures and other constraints, using every element in the framework may not be possible. Even if you are not able to push yourself and others in your organization to thoroughly examine every element in the framework, each question is useful by itself. Even *partial use of the framework* will improve the quality of the decisions you and the other people in the organization make.

To stimulate a better response to an ethical problem, consider which element in the framework so far has been deficient or is missing. Then you must have the mettle to raise a red flag by asking *any one of these questions*:

- Have we identified the issue correctly?
- Do we have the relevant facts?
- Have we considered all the options?
- Do we understand where these options might lead?
- What are the principles guiding us?
- What is our immediate plan of action?
- What are the deeper issues underlying the presenting issue, and what can we do about them?
- What can we learn from this experience?

After asking one question, ask another. Then if there is still time, keep going until all the elements in the framework have been considered.

An advantage of using a framework such as the weight of reasons is that it can help you prepare for difficult conversations you must have in addressing an ethical problem. The elements of the framework can be used as a script to rehearse these conversations. In the Medical Products case, you (the salesperson) could use the weight-of-reasons framework to organize and practice your conversations with the surgeon and supervisor before they take place. Rehearsing the script helps improve your analysis by enabling you to identify weaknesses and potential objections. It prepares you to stay on message if the actual discussion you have veers off course.

The cases at the end of this chapter and throughout the book should give you practice in using the framework to address short-term presenting incidents and their deep-rooted causes. You should consider how to adjust business and corporate strategies in response to ethical issues. They are the warning sirens that your corporation must make some fundamental changes in how it conducts its business. In the Medical Products case, it is not just a matter of responding to the physician. It is a question of what kind of products the company is going to sell and how it is going to sell them.

SUMMARY AND CONCLUSION

Addressing ethical dilemmas and applying the weight-of-reasons framework is challenging. We have limited thinking capacity, we often do not have all the information we need, and we cannot predict the consequences of our actions. Sometimes we have a hard time even recognizing that an ethical dilemma exists, let alone thinking in fresh ways about our options for addressing it. Often, it seems we are far removed from the kinds of questions Socrates would have us ask, such as those posed at the beginning of the chapter: Am I living an examined life? Am I acting according to my principles?

This book is intended to help you with this problem. Each chapter of the book is dedicated to helping you understand some of the complexities of addressing ethical problems and providing you with tools for addressing them. As we move through these chapters, we will explore their implications for applying the weight-of-reasons framework.

A big takeaway from this chapter is that ethics is hard. You may already hate this whole topic. Yet when ethical problems confront you, you do not want to be filled with regret that you immediately abandoned your principles and did not do “the right thing.” Greed, ignorance, and weakness provide a few reasons why you might not engage with an ethical dilemma, but they are not the whole story. Reflecting on ethical issues is inherently difficult. This chapter introduced you to the “weight-of-reasons” framework that should assist you in making better ethical choices. It acknowledges that this framework does not easily provide an optimum solution to ethical conundrums. It can be abused if you just use it to justify what you were going to do anyway. Its best use is to apply

it in an imaginative light to understand a situation in its full complexity. Doing so means unearthing facts and options you might not otherwise have considered, imagining a full host of consequences arising from these options, sticking to principles you and your organization hold sacred, and planning to deal not only with presenting a problem but its underlying root causes. Rely on this commonsense approach to practical judgment to check and refine your initial intuitions and learn lessons each time you apply the approach so that you get better at doing it.

While this book has much to say about the context in which business organizations operate, in the end, it is about you and your responsibilities as an ethical decision-maker. The aim is to improve *your ability* to make good choices. For those among you who think that such a goal cannot be accomplished because our ethical dispositions are determined by our genes and how we are raised, the research suggests that you are mistaken. According to experiments that psychologist Richard Nisbett has carried out, your ethics are not set in stone forever by your character and upbringing.²¹ Rather, people can be taught to make better decisions, including better ethical decisions. However, getting better at ethical decision-making requires working at it. It requires diligence and humility. We want to avoid regret to the extent we are able, so it is incumbent on us to use frameworks such as the weight of reasons. Then, after we have made a decision, we have to rethink what we have done and assess as best we can whether it was the “right thing.” If we follow this practice, then gradually, each of our successive choices should be more ethical than the last.

KEY TERMS AND CONCEPTS

Bounded rationality 5	Dilemma 5	Sensemaking 16
Cognitive dissonance 16	Ethical decision 4	Unstructured decision 4
Decision 4	Framing 16	
Decision process 4	Sensebreaking 15	

CASE APPLICATIONS

For each case, apply the weight-of-reasons approach to develop a course of action for addressing the ethical dilemma. Identify the issue, state the facts, identify possible courses of action, assess the expected consequences of each, apply your principles, and come up with a quick-fix action to address the issue. In addition, consider steps you could take to develop a long-term course of action that addresses the underlying cause of the problem and reflect on the lessons you have learned from engaging in this process.

Case 1.1: Getting Funded

It's hard to be a start-up. To get funding from major venture capitalists with deep pockets requires having a good story. NOTHAM Foods's story had two parts that the company's charismatic founder Daniel Certech regularly pitched to investors. The first was about its rapid growth in sales. The second dealt with the scientific advances it was making in the use of plant proteins that could be used to feed the 9 billion people who would inhabit the planet by 2050. However, Jane Ireland, a newly hired accounting employee, noticed that to boost sales the company was systematically buying

back its own inventory, expensing the buybacks as marketing costs under the category of Inventory Consumed for Samples and Internal Testing. This practice did not seem right, though she did not know if it was illegal. In the company lunchroom, she remarked to Anne Spinoza, a colleague and a friend who did research on plant proteins, "It's just a matter of time when there will be consequences. Investors will figure this out when they scrutinize our accounting. They could pull financing and we would not have the cash to keep going. What if they thought they were duped and brought a fraud case against us?" Anne replied, "You know, the yellow pea protein project on which I am working hasn't yielded any results, but Daniel keeps touting it as a winner." What should Jane and Anne do?

Case 1.2: Recommending an Acquisition

Ira Koslowsky, a star employee, was on the fast track at Grandiose Private Equity, Inc. On his own he had borrowed money, creating a stake for himself of about \$1 million in LUBICATE, an up-and-coming chemical company. Koslowsky studied the company carefully. It had patents on an exclusive catalytic process, for which other firms

surely would be willing to pay top dollar. In addition, he believed its management were experienced pros who had done prior successful start-ups. He understood that they were now ready to sell LUBICATE and move on. He wanted to recommend the sale of LUBICATE to Grandiose. If Grandiose decided to buy the company, his investment in LUBICATE was likely to more than triple in value. He did not think there was anything illegal in making the recommendation, but he worried about how his bosses at Grandiose might respond if they found out about his stake in the company. At the top of the organization he was pretty sure this kind of inside dealing commonly took place, but nobody talked about it. From where he stood in the organization, the company seemed awfully fussy about potential conflicts of interest. What should Ira do?

Case 1.3: A Fleet of Autonomous Vehicles

The year is 2025, and nearly 20% of all vehicles on the road are autonomously driven (self-driving). The government has established strict guidelines for the algorithms that run these vehicles. In the event that there is a choice between saving a few occupants in a vehicle and many pedestrians and occupants in other vehicles, the autonomous vehicles must be programmed to swerve to avoid harm to pedestrians and to the occupants of other vehicles. The justification for the policy is that the public interest is to have the fewest number of people harmed in traffic accidents. You are outraged by this policy. You have been a vociferous critic. This policy violates every principle you hold dear. Your company, Boogalie, employs some of the most talented people in the country. Its young, gifted, scientific, and technical workers are working on society's most pressing problem—how to prolong life and permit people to increase their productivity as they age. Boogalie just purchased a new fleet of 200 autonomous vehicles to chauffeur its employees from their homes to corporate labs scattered throughout the region and shuttle them between labs as needed. After the vehicles arrive, you have

about three days when you can arrange to have them reprogrammed so that they will save the vehicles' occupants before pedestrians and occupants of other vehicles. What should you do?

Case 1.4: Secure Motors

You are directly responsible for boosting Secure's sales. You are on a short leash as management has little patience with employees who don't produce. The Secure Motor Corporation is widely recognized as making one of the safest family cars in the market. Independent tests by various automobile associations consistently rated its family sedan and wagon the best in terms of impact resistance and safety. The company has signed up with a new advertising agency, Satchel and Bag, which has devised a campaign built on Secure's reputation for safety. To highlight this point, it lined up a range of typical family vehicles, bumper to bumper with Secure's car in the middle, and then it drove an all-terrain vehicle, over the tops of the cars. In all cases, except the Secure car, the passenger cabins were crushed, then the motto appeared "You are Secure in Secure." Previews of the campaign tested on focus groups had excellent results. Satchel and Bag estimated that the campaign might result in sales increases in excess of 15% to 20%. As a manager for Secure, you were part of the team that negotiated the contract with Satchel and Bag, and you have an ongoing liaison role with the advertiser. You, along with several executives, have been invited to a private showing of the new campaign. As you are watching, you could not help but be impressed with the ad's powerful and evocative image, the message, and the initial market forecasts. Then one of Satchel and Bag's key advertising people sitting next to you leans across the table and in a whisper chuckles, "Pretty impressive isn't it? I'll let you in on a secret though, we reinforced the struts on the cabin, maybe we didn't have to, but just to be on the safe side you understand . . . great campaign isn't it?" What do you do?

Case 1.5: Paying for a Life-Saving Drug

Dearborn and Dyehardt (D&D) has just put Forzosein on the market, a new compound that may be able to save the lives of people who suffer from cancer. D&D charges hundreds of times what it cost the company to make Forzosein to recoup the extremely high R&D expenses it bore to test the compound and get it approved. Darren Talbot is an executive in the Baldwin Corporation, the company that distributes Forzosein for D&D. Doctors say that Anna Bryan suffers from a rare form of cancer and has just a few months to live. Forzosein is a controversial choice for treating her cancer and is not covered by Amalgamated, her insurance company. To have hope for recovery Anna will need

as many as 40 doses, but each dose of Forzosein costs \$10,000. Anna is just 36 years old and has three young children. Her husband, Lester, asked D&D if it could make an exception in Anna's case and charge less for the drug, but the company refused. He pleaded with Amalgamated to expand its coverage but it turned him down. He tried to take out a loan from the Tarrytown Bank, using his house as collateral, but the maximum amount the bank would loan him was \$25,000. He went to friends and family to borrow money and raised an additional \$15,000. Desperate, he begged Darren for the doses of Forzosein he needed for his wife. He would hand over the \$40,000 he had raised and try, if he could, to pay the rest later. What should Darren do?

NOTES

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