Decision-Making Frameworks

The main objective of this section is to provide you with four decision-making frameworks, which you might find useful in addressing complex CSR issues, particularly at the corporate/organization level. Typically, business problems which have strong social and ethical components are very complex and do not have simple solutions. The necessary courses of action are neither obvious, nor are the consequences of their implementations clear. Under these circumstances, the usual temptation is to postpone the action, which could be the worst decision. Decisions have to be made. In this module, four decision-making frameworks are suggested to deal with these kind of situations. First, let’s review the assignment for which you will use the decision-making frameworks.

Framework I: The Three Lenses of Decision Making

Framework 2: Why “Good” Managers Make Bad Decisions

Framework 3: Twelve Questions To Address Ethical Dilemmas

Framework 4: An Approach To Ethics and Policy Decision Making

For more information please register for the WBI CSR online course.

The Three Lenses for Decision-Making

A framework presented by Lynn S. Paine integrates ethical and economic considerations into business decisions; these cannot be reduced to a simple analytical exercise. The framework helps capture the important ethical and social implications of business decisions, which are often neglected when the focus is exclusively on the analytical tools of the financial bottom line and short-term objectives. Paine stresses the fact that the final decision is highly influenced by the decision-maker’s value system and imagination. Additionally, the actual outcome in practice is influenced by that person’s commitment to authority and ability to implement the decision.

The framework is based on three dimensions of “responsible decisions”:

- Contribution to purpose
- Consistency with guiding principles
- Impact on people

These dimensions correspond to three modes of reasoning (purpose, principles, and people) that are “directed toward action rather than thinking” and aimed to “help people decide what to do rather than what to think.”

The three modes of reasoning could help evaluate business decisions from three perspectives. A cluster of questions, which should be addressed in implementing the framework, is divided into three subgroups:

- Purpose
- Principles
- People

By addressing these questions and building a common ground and understanding, decision-making teams can address complex CSR problems in a more systematic way.

**Authority and Ability to Implement a Decision**

Although this framework does not provide a decision rule or a “right” solution to complex business decisions, it can help provide a view of the different perspectives, facilitating an examination of the necessary trade-offs and leading to responsible decisions. The framework is only useful, however, when decision-makers have the authority and ability to implement it and take responsibility for the action.

**Twelve Questions to Address Ethical Dilemmas**

Laura L. Nash poses 12 questions to help managers address ethical dilemmas. The questions are notable for (i) acknowledging that different parties may define the problem differently, (ii) comparing intentions against likely consequences, and (iii) considering the symbolic value of the decision.

1. Have you defined the problem accurately?
2. How would you define the problem if you stood on the other side of the fence?
3. How did this situation occur in the first place?
4. To whom and to what do you give your loyalty as a person and as a member of the corporation?
5. What is your intention in making this decision?
6. How does this intention compare with the probable results?
7. Who could your decision or action injure?
8. Can you discuss the problem with the affected parties before you make your decision?
9. Are you confident that your position will be as valid over a long period of time as it seems now?
10. Could you disclose without qualm your decision or action to your boss, your CEO, the board of directors, your family, society as a whole?
11. What is the symbolic potential of your action if it is understood or misunderstood?

12. Under what conditions would you allow exceptions to your stance?


An Approach to Ethics and Policy Decision-Making

Kenneth Johnson has proposed another systematic toolkit for ethical decision-making. The first step includes five considerations a decision maker should take into account before implementing the toolkit, namely:

A. What motivated the need for choice: a sense of inquiry, improvement, or uneasiness?

B. Is one framing a question, developing an argument, or deciding how to act?

C. For the purposes of this decision only, what can be reasonably assumed to be true?

D. What is meant by the concept "values", and what is the significance of values in making a choice?

E. What constitutes a "quality judgment" and "quality action" under these circumstances?

Ethics and Policy Decision-Making

The framework includes nine elements:

1. Identify the desired result. A vision of a desired future? A question to pursue? An argument to support a position? A resolution of a dilemma? A solution to a problem? Describe the desired result clearly.

   *If to solve a problem, for example, be sure it is a problem not just a symptom.* (Likert 126)

2. Describe the conditions or criteria that the result must meet to be satisfactory?

   *These are the essential criteria. List, in addition, the other conditions that it would be desirable for a result to meet.* (Likert 126)

   *Minimum essential criteria include that the result is a quality judgment or quality action that is feasible, suitable, and cost-acceptable, specifically taking into account opportunity cost.* (Eccles *passim*)

   *Include the specific ethics test to be applied: e.g., right-versus-wrong issues, right-versus-right paradigms. (Kidder 184-85); another approach is to strive for a solution that is true, good, and beautiful and reflects the reality of being (epistemology, ethics, aesthetics, and metaphysics).*
An organizational essential requirement is that the result is consistent with the organization's purpose and values. (Collins & Porras, Built to last)

Identify the legal and organizational rules that apply to the result. (MacDonald http://www.ethics.ubc.ca/chrismac/ publications/guide.html)

3. Identify all stakeholders, i.e. who are involved, affected, and knowledgeable in the decision making process or will be in the result. What are their relationships?

If an organizational or community decision, further categorize the stakeholders as either internal or external.

4. Search for all reasonably promising results and list them. Use brainstorming. What else is possible?

Try to use different frames of reference and ways of looking at the desired result in order to develop new and better results. (Likert 126)

5. Obtain all the relevant facts concerning the extent to which each of the proposed solutions will or will not meet the criteria for an acceptable result—or be likely to do so.

What are the stakeholders’ perspectives? That is, how do they understand the facts of the matter; what do they value concretely and in the abstract; and what do they understand the key concepts to mean? (Suggested by Paul passim)

6. Evaluate all the alternatives by examining them in terms of the criteria or conditions that a result must meet (essentials) and also those that are considered desirable(s). (Likert 126)

What alternatives best meet the criteria of the desired result? Be prepared to support your evaluations with reasons and justifications. (See also Ethical Decision Styles 19)

Test for right-versus-wrong paradigms, then test for right-versus-right issues. (Kidder 184-85)

7. Compare the alternatives and choose the one that best meets the essential and desired criteria.

Eliminate first all the alternatives that do not meet the essential conditions. Then, eliminate, progressively, those alternatives that meet the desirable conditions least satisfactorily. (Likert 126)

The object is to make a good choice with the information available, not make a perfect choice.

8. Carry the choice forward.

Share the vision. Pursue the question. Make the argument. Act on the resolution. Begin implementing the solution. Ethics and policy choices presume action, though a decision to do nothing where one has the power to act is also action. (Mises passim)

Take responsibility for the choice, the quality action required to take it forward, and the consequences.
9. Reflect on the consequences of the choice and the actions effecting it and learn from both the process and the consequences.

_What questions do they raise? What arguments can be made for staying the course or changing? What could have been done better in arriving at the result? At implementing the result?_


For more information on other relevant frameworks, please visit: [http://csweb.cs.bgsu.edu/maner/heuristics/toc.htm](http://csweb.cs.bgsu.edu/maner/heuristics/toc.htm)