



Framework for Ethical Decision-Making

Why Ethical Decision-Making?

The mission of the College of Business includes encouraging ethical decision-making and social responsibility. Ethical decision-making is characterized by respect for others, an awareness of justice, and sensitivity to the application of rules of conduct. It is an essential skill for all professionals. Accordingly, an objective of the College of Business is that upon graduation, you will appreciate the ethical and social responsibility dimensions of business decision-making.

More specifically, you will be able to:

- a. Recognize the ethical and societal implications of proposed actions;
- b. Demonstrate knowledge of ethical decision-making tools;
- c. Effectively evaluate the ethical and societal effects of a variety of options; and
- d. Make a sound decision in accordance with the analysis and evaluation of options.

What is a Framework for Ethical Decision Making?

In order to help you hone your ethical decision making skills, the College created a tool to guide your ethical decision making process. Based on PEAS, the College's Framework for Critical Thinking, the Framework for Ethical Decision Making offers you a four step process for effective ethical decision making. If you use this framework to solve every ethical problem you encounter, you will become a powerful ethical decision-maker, which in turn will allow you to be an influential and effective professional.

How is the Framework Used?

PEAS stands for Problem, Evidence, Analysis, and Solution. Each word represents a crucial problem solving step. As you move forward from step to step, you may need to circle back to earlier steps to redefine the problem, gather more evidence or conduct additional assessment.

While the Framework for Ethical Decision Making follows the same PEAS steps as the Framework for Critical Thinking, the Framework for Ethical Decision Making asks you to assess problems in terms of ethical guidelines and theories and consider their implications for your decision. For example, the "Analysis" step requires you to identify specific ethical guidelines and theories as well as analyze possible problem solutions in light of those guidelines and theories. Thus, the Framework for Ethical Decision Making is an important variation on the Framework for Critical Thinking.

Keep in mind that there is not necessarily a "right" answer to an ethical dilemma. Ethical decision making is often difficult because you must decide not between "right" and "wrong" but between "right" and "right." Ethical decision making is as much about the process of decision making as it is about your answer to the problem.

What Are Ethical Guidelines and Theories?

Ethical guidelines and theories are tools and principles that can help you determine an appropriate course of action for a particular situation. Each guideline and theory has strengths and weaknesses that should be evaluated in terms of each stakeholder and the context of the problem. Some of the most widely-used ethical guidelines and theories include:*

Front Page of the Newspaper Test

Would you be comfortable if your actions were revealed on the front page of the newspaper? If so, your conduct is ethical (but may not be the only ethical solution or the best solution).

End/Means Test

Does an ethical goal (end) justify the way you get to that goal (means)? In other words, does the overall good justify cutting corners to get there?

The Golden Rule

Do unto others as you would have them do unto you. In other words, treat others as you would wish to be treated. This rule can be helpful, but keep in mind that it is possible that another person may not want to be treated as you prefer to be treated.

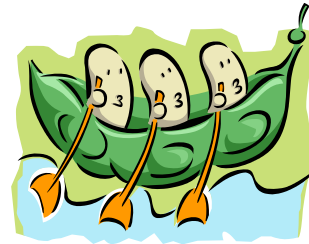
Utilitarianism

What act or rule results in the greatest good for the greatest number? Do the benefits of the action outweigh the costs/harm to all the stakeholders? Keep in mind that costs and benefits can be hard to identify because they are not only economic, but may also be social, environmental, legal, cultural, etc.

Professional Standards or Codes of Conduct

Many professions such as accountants, financial advisers, human resource managers, and marketing agents have published standards or codes that members must abide by to remain in good standing. In addition, many businesses have their own internal codes of conduct. Such standards can help professionals determine the appropriate course of action in a given situation.

* With thanks to George A. Steiner & John F. Steiner (2003), *Business, Government and Society: A Managerial Perspective*, McGraw Hill Irwin, 10th ed., ch. 8.



The Ethical PEAS Framework for Ethical Decision Making

Answer the following questions in sequence to arrive at an appropriate solution:

1. Problem

- What is the ethical problem to be solved?
- What question(s) do I need to answer?

2. Evidence

- What relevant facts and figures do I know?
- How do I know these are facts rather than opinions, inferences or assumptions?
- Who are the affected stakeholders? What are their interests?
- What do I not know that is relevant to solving the problem?

3. Analysis

- What ethical guidelines and theories will I use to help me decide what to do? Consider at least 3-4 different theories, such as:
 - Front Page of the Newspaper Test
 - End/Means Test
 - The Golden Rule
 - Utilitarianism
 - Professional Standards of Codes of Conduct
- What legal rules are relevant to the problem?
- What 3-4 possible solutions would solve the problem?
- Evaluate each alternative solution in light of each ethical theory and applicable legal rules.
- What are the practical implications, both positive and negative, of each alternative solution? How are the stakeholders affected by each alternative? Use the attached chart to assess the effects of each alternative solution.
- What assumptions and inferences am I making? Are these justified?
- Which solution am I most comfortable with? Why?
- Does my solution solve the problem and answer the questions identified in Step #1?

4. Solution

- What is my solution to the problem?
- Understanding the dimensions of the problem, using all relevant evidence, applying a variety of ethical theories, and paying close attention to my analysis, why is mine the best solution?
- How will I explain my solution to all of the stakeholders?

Chart for Ethical Decision Making

Use this chart to help you organize your evaluation of the relative merits of each alternative solution to an ethical problem.

The Problem [state the ethical problem clearly and succinctly]:		
Possible Solutions	Pros	Cons
Solution 1:		
Solution 2:		
Solution 3:		
Solution 4:		

PEAS Framework for Critical Thinking
Montana State University College of Business

