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For Workplace News

The power of using values as the foundation for decision-making seems to boggle the minds of many senior managers these days.

Under great pressure to make the business run profitably or deal effectively with the political concerns of the moment, executives find it more expedient to succumb to easy priorities or personal agendas rather than deal in the complexities that will lead to the "right" decision, morally. Immediate gratification – the crisis put under wraps, the contrary employee fired, the numbers met – overcome any mature priorities for longer-term impact. This creates a noticeable gap between words and deeds.

The result of that gap is what can be called "earned cynicism" (see my Workplace News column from June 2003). That's when a manager's actions and decisions are out of step with what the leadership has articulated as the company's values. The end result is that employees learn to suspect the truth, anticipate frustration and expect the worst. They come to see leadership as betraying whatever convictions they

# Do the right thing

## Seven steps for more ethical decision making

pretend to hold, lacking any courage to do the right thing. This disconnect becomes especially glaring when times are tough.

As a manager, it is imperative for you to understand the organization's stated values, and make them meaningful through action. If everyone who works for you learns to expect that values are consistent basis for all decisions, you will be prepared for every discussion and crisis. Here are seven steps for building that kind of foundation.

### Step I: Determine the facts

Too often, people want to make fact-based decisions. This is not in itself a bad thing, but the discussion usually ends up being around emotions not facts. When you act too fast, you spend an equal if not greater amount of time reworking or rediscovering information to make a second decision.

### Step II: Determine the impact on people

By knowing all the people internal and external to the company that will be affected by a decision in the short and long run. You then have the capability to consult with them

and make them part of the process. This leads to step three.

### Step III: Consult your values

Your values demand an action or response to every situation in which they apply. Knowing your values allows you to know the ethical correctness of the action sooner rather than later. I have seen a potentially heated debate at the executive level come to a sudden halt when one of the parties examined a series of contested options through the organization's values.

### Step IV: Realize there is more than one right answer

When you think you have the answer, seek out the second right answer. Just like there many sides to a story, there are often many right answers. The process of discovering alternative answers opens you up to additional modifications to your actions. Sometimes through an action based on the "least harm" you find a way to the "greater good".

### Step V: Avoid short-term for longer-term thinking

One of the biggest flaws in a lot of corporate decision-making is that senior management is too

focused on short-term gains. A value-based decision might not provide an immediate impact on your people. But if you were to act for immediate gratification so that things might seem good for the short term, they may very well turn out to be wrong in the longer term. Cynicism is a delayed reaction. Employees often assert (correctly) that leadership is lacking perspective or deficient in longer-term thinking.

#### **Step VI: Select your action to be taken**

Based on consideration of all the above, it is time to act. While this seems a long and drawn out process, in reality it could take a very short period of time. Many of the aspects of the steps above are intuitive and the answer is obvious. Once you eliminated the politically expedient action and the other actions that would have violated the company value set or "code of conduct," you can make the decision based on the "greater good" instead of the "least harm." This is not to say the action to be taken will not "harm" certain people. But in the longer term perspective the least amount of harm would be inflicted.

#### **Step VII: Be decisive, but flexible**

At this time, you begin the execution of the plan knowing that as things evolve and more information comes to the forefront, you might have to alter the course of action. Being stuck on "the decision" and not open to new information of the impact on people, process or the longer term business will

have a negative impact on what would have been an opportunity for continuously improving the decisions you make.

If you follow the values as they actually are lived within the culture of the organization, you might decide that what appears to be a financially unsound business decision turns out to be the greatest decision you ever made. You can also sleep well at night because you knew it was the right way to go. If you need proof for this, just review the now famous case of Johnson & Johnson and the Tylenol incident.

After a handful of Tylenol bottles in Chicago-area stores had been laced with poison in 1982, the company immediately pulled all of its bottles from store shelves across the U.S., halted production, warned hospitals of the danger and ran national newspaper ads warning consumers not to use its own product. The move cost an estimated \$100 million, but ultimately, the action saved parent company Johnson & Johnson and the Tylenol brand. The case stands as a classic example of the long-term benefits of ethical decision-making.

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