

An application for ethical decision-making

Scientific literature of different domains proposes different tools and methodologies for taking decisions in matters of ethical bearing. When faced with such a situation, people who do not have this theoretical background may disprove it, and instead make more subjective and personal choices. The present study seeks to investigate this aspect, as well as people's availability to involve and take responsibility for ethical issues.

Keywords: decision theory, decision making, ethics, economic modelling, ethical decisions, morals, game theory.

Introduction

The issue of decisions in matters of ethical concern can be approached from at least two perspectives: decision-making and ethics. The ethical dilemma of "what is right" may be addressed through several methods leading to different results.

The utilitarian approach pursues „the greatest good for the greatest number". It is understood that in order to reach such a conclusion when given a problem of choice, one should first identify the spectrum of available options, identify the stakeholders for each option, and assess each option's impact on each of its stakeholders. The issue of „greatest good", or indeed „good" is in itself another abstract and highly controversial aspect of the problem; according to the various perspectives on the concept of „good" as referring to either the act, the rule, the motivation, character or life, various versions of utilitarianism have developed.

– „Action-oriented" utilitarianism involves direct calculation of the consequences of each action and choice of the alternative that would result in the greatest happiness.

– „Normative" utilitarianism, on the other hand, looks into the potential rules of action, and the choice in this case would rather be dictated by the consequences that constant observance of each rule would have. It is considered that the moral rule is one that generates more happiness through its implementation than through its absence.

– „Motive" utilitarianism states that usefulness should be the measure of motivation [1].

– „Characterial" utilitarianism states that a character is all the better from a moral perspective as its possession brings about the greatest utility [6].

– „Biographical" utilitarianism then sustains that „Any individual ought to live in such a way that the total amount of utility in the history of the world is brought as close as possible to the maximum" [2].

Another approach on ethics has its roots in the 18th century philosophy of German writer Immanuel Kant promoting individual right to choice. The measure of a decision's morality under this paradigm would be the measure in which the decision and its consequences respects the rights of all involved. Actions are wrong if they trespass the rights of individuals, and the wrong is all the greater the greater the degree of transgression.

A common good approach would develop a picture of society as a community whose members are united in the pursuit of values and goals that they all share. The good of

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individuals making up this community would be inseparable from the good of the community as a whole. The focus in this case shifts towards ensuring that the social policies, social systems, institutions and environments that individuals rely upon are beneficial for all.

The virtues approach places at its center certain ideals that individuals are to aspire towards and that provide the premises for individual development. Virtues would play the role of facilitators between individuals and their ideals; „virtues are like habits”, in that once adopted they become individual characteristics. What’s more, once a person has developed a system of virtues, he/ she will be prone to act in accordance with moral principles, so presumably „a virtuous person is an ethical person” [8]. The measure of ethics in this case is given by that which promotes the development of character at personal and community level.

In the attempt to reconcile the different approaches and gain an integrated and consistent overview, Velasquez et al. suggest a five-step approach in assessing an ethical issue:

- Identifying the benefits and harms of each course of action and through this identifying which alternative will lead to the best overall consequences.
- Defining the parties involved and their respective rights, and then assessing the impact of each course of action on these rights and identifying which alternative respects these rights the most
- Identifying courses of actions that treat all individuals equally, except for cases where there is a morally justifiable reason to proceed otherwise, therefore not allowing for favoritism and discrimination.
- Assessing the impact of each course of action on the common good and identifying the alternative which provides the most common good
- Assessing the involvement of each course of action with moral virtues and identifying the alternative which develops them the most.

One should however bear in mind that this is not a solution-generating tool, but rather an analysis method that highlights some of the factors that decision-makers faced with ethical issues may take into consideration.

The different perspective, spurring from decision sciences, looks on the morality of objective results of decision-making processes and the influence the involvement of ethics may have on these results. We will consider the example of game theory as a field of study concerned with adapting attitudes, actions and outcomes as result of interaction. Three views have developed in the matter [9]:

- Functionalism points out to the possible suboptimal outcome of egoistical choices (the most obvious example being the prisoner’s dilemma). Ethics’ role would be to restore efficiency and counter rationality’s shortfalls.
- Contractarianism considers ethics the desired outcome of interactions between perfectly rational agents in perfect negotiation situations, meaning that the agents engaged in the negotiation will always reach an agreement of how to divide the benefit of their cooperation and that this division is a fair one.
- Evolutionary game theory suggests that ethics is, on the contrary, the involuntary outcome of repeated interactions between small groups of agents.

To sum up these three approaches, morals seem like the means to attain individual welfare; we used the term of welfare as opposed to utility to also encompass equity of benefit distribution. Although not of guaranteed effectiveness, morals act as an enabler for Pareto optimality as a goal pursued in all three approaches. Functionality assumes a possibility of suboptimal results of individual rationality and employs morals as guarantee of the contrary. The social contract focuses its attention on individual rationality manifested at each step of the decision-making process and uses morals in the same way as functionalism – as means of

guarantying general optimality. Finally, evolutionary game theory uses morals as means of establishing the framework for Pareto optimality. What's more, Pareto optimum in itself is not seen as an end goal as social welfare, but rather as a means for individual welfare. In this view, morals would be subordinate to social welfare which in its turn would be subordinate to individual utility. Direct pursuit of individual utility in a "end justifies the means" approach would not succeed in achieving its ends in a deeply interwoven social construct, and therefore it employs nearly philosophical dictons for the use of rather earthly results.

Previous Research

With the popularization of CSR, companies have become increasingly concerned with promoting an image of themselves as fair and ethical. To this end they instated ethics and conformity codes and programs and have participated in different stories.

The Arthur Andersen consulting company developed in 1999, two years prior to the Enron scandal, two studies on ethical issues in organizations, one in the United States and another in the United Kingdom [5]. The first one centered around the effects of ethics and conformity programs in six large American companies and aimed at assessing such indicators as employees' perceptions, attitudes and behavior; in this chain, perceptions may be seen as driving attitudes which in their turn determine actions. What the study has shown is that many ethics and conformity programs employed in organizations rely largely on a "red wire" and other such mechanisms of reporting to control employees' behavior. The study has also shown that it is precisely this type of measures that have the least effect on actual behavior. The greatest impact, on the other hand, is exercised by well-established coherence between policies and actions, rewarding ethical behavior and increased attention awarded by executive managers to ethical concerns. Furthermore, the simple existence of a formal mechanism for reporting deviations from ethics is insufficient in encouraging its use in cases where its use is not supported by the behavior of managers and by corporate culture. On the contrary, the following factors have been identified as being of most importance in the success of an ethics and conformity program:

- An equal concern among managers for ethics and values and for financial results
- Coherence between what managers "preach" and what they practice
- Fairness towards employees
- Openness, that is to say freedom of discussing ethics and values
- Rewards awarded for ethical behavior
- Motivation through values

Another conclusion of the study stated that an ethics and conformity program perceived as installed in order to protect management's reputation is more damaging than not having any such program at all.

The Great Britain study in its turn observed a sample of FTSE 350 companies, as well as unlisted companies of comparable size, on the issue of addressing their ethical concerns and the degree of effectiveness of their respective actions. Findings revealed that despite that the portion of companies employing ethics codes and conformity codes had significantly increased over the last three years, a number of measures of implementation undermined the program's efficiency: conformity codes were not always distributed to all employees, only a few of the internal groups contributed to the development of the codes, almost half of the companies that had developed conformity codes did not use to make them public upon request, only three out of five companies providing some form of training in ethics involved the entire staff in the training, and only about half of the companies employed some sort of feedback mechanism, such as questionnaires.

Another study performed by Deloitte & Touche in 2007 in the form of a survey of U.S. fully-employed adults reveals that 91% respondents to the study would say that „workers are more likely to behave ethically at work when they have good work-life balance” [3]. Moreover, „the role of management and supervisors is critical in fostering an ethical workplace environment. As such, an overwhelming majority of survey respondents cite management and direct supervisors’ behaviors – more than written credos and codes of conduct – as the top factors that help promote an ethical workplace. Specifically, when asked to identify the top factors for promoting an ethical workplace, 77% of working adults cite either the behavior of management, or of direct supervisors, as setting the tone for ethical behavior”. High levels of stress has been the aspect of the job cited by most to cause conflict between work responsibilities and personal priorities, while the behavior of management was the factor most cited for promoting an ethical workplace environment. Overall, 87% of workers surveyed with this occasion agree that a company’s values can promote an ethical workplace environment.

Methodology

The study we will detail here sought to investigate people’s availability to involve in issues of ethical concern and to assume responsibility for their involvement. This aspect was placed in various contexts in order to assess respondents’ reaction in these contexts. The study was organized as an online survey among professionals that collected answers from 120 respondents. The questionnaire for the survey included demographic questions, questions testing risk adversity and mood as well as questions testing response in problems having ethical bearing, as detailed below.

A first step in this respect was to reproduce Filippa Foot’s trolley problem, where a trolley is speeding along the rails towards the point where a mad scientist has tied five people to the rails – the trolley would surely kill them [4]. The decision-maker may pull a switch and deviate the trolley on a side line where the mad scientist only tied one person to the rails. The utilitarian approach would encourage action as opposed to lack of action – namely in this mindset the decision-maker should pull the switch as the results of this decision would seemingly be less bad. However, alternative approaches may argue that where moral wrong is imminent, involvement is equivalent to complicity and hence passes part of the mad scientist’s responsibility on to the decision maker. On the other hand, one may argue that mere presence at the site, and by that the possibility to intervene, determines the moral obligation to intervene. Any of these approaches is faced with the issue of incommensurability of human life.

Unger proposes a slight alteration to the trolley problem: five people are still tied to the rails of a speeding trolley in his version, and the decision-maker can still deviate the trolley onto a side route, but this side route leads into a sleeping man’s house; the man would surely be killed, but he had not been tied to the rails and therefore not been involved in the dilemma by the mad scientist; he may only be involved and ultimately killed by the decision maker’s actions [7]. The pressure on the decision maker’s conscience is therefore all the greater and further tests his/her commitment to act.

Another hypothetical scenario tests a decision maker’s willingness to involve and take personal responsibility in ethical issues as opposed to strictly following regulations. The scenarios imagines the decision-maker as the manager of a department of thirteen staff. One of his/ her subordinates has made a flagrant and costly mistake that standards would have punished by penalty to his salary and a mention of the incident in the annual employee performance appraisal report. However, the employee is known throughout the department to have had his son recently hospitalized for leukemia. The decision-maker is faced with the

option between strictly applying the regulation without thought of human empathy, letting the employee off with just a fraction of the usual penalty or even just a warning, or summoning the disciplinary commission and subjective the matter to their judgment, thus declining all responsibility for both failing to enforce the regulation and ruthless lack of empathy.

As ethics is sometimes regarded as a conflict of values, not between right and wrong, but between two right options, or just as well two wrong options, we borrowed a case that is subject to different interpretations leading to different results. This time, the respondent is asked to imagine him/ her-self an employee whose career development was greatly helped by the wise guidance of an elder mentor. However, the employee has just learned about a very risky managerial decision, an illegal or an immoral action of the mentor and has to decide whether to report it, to keep silent or to ask the council of a trusted colleague. It is noted that the employee is the only one so far to have learned about this. The decision-maker deals with conflict between gratitude and debt towards his/ her benefactor, on one hand, honesty and loyalty towards his/ her company and its stakeholders, on the other hand. It is debatable whether a person who has proved himself at least somewhat irresponsible and at worst dishonest is entitled to unconditional gratitude. The virtues approach would indicate denouncing either one of the mentor's less than righteous actions as the sole option for a person of character, irrespective of consequences.

The Kantian approach arrives at the same result and provides even more argument in this direction: if the mentor has been inattentive in taking an overly risky decision, then he has failed to correctly comply with his attributions, thus betraying the shareholder's trust and placing the company in jeopardy. If the mentor has done something illegal or immoral, he would all the more deserve to be punished according to Kantian ethics.

Utilitarianism provides a more balanced answer according to each case: in the case of the risky decision, there is a chance that the risk will never materialize and then it would make no practical sense for the employee to be ungrateful and tell on his/her mentor. On the other hand, if the risk does materialize, then the mentor's actions will be revealed and judged accordingly all the same. In any case, utilitarianism dictates no reason for the employee to denounce the mentor. The case of illegal action bears more severe repercussions, as the employee could even be accused of being an accomplice or an accessory, and the company risks its entire reputation; if the employee does talk, his/ her honesty would be appreciated and ingratitude would be forgiven. So the utilitarian verdict in this case is to talk. Finally, the morally questionable action on the part of the mentor may not be undone, so while denouncing it would not prevent its results, it may discourage such future attempts of immoral activity. The utilitarian approach therefore provides no clear-cut answer in this particular example.

A final question on the matter addresses the much-debated issue of sustainable development as a battle between short-term economic gain and long-term protection of the environment and development of culture. A straight-forward scenario puts the decision-maker in the shoes of an investor faced with an option between a fertilizer factory (a highly polluting enterprise) and a private park (which, by contrast, preserves and even enhances the environment). Supposing the fertilizer factory yielded an estimated yearly profit of 100.000€, the respondent is asked what the minimum yearly profit of the park would have to be to determine him/her to chose this latter option. To test respondents' preference for developing either the environment or future human generations and human capital, the question is repeated, replacing the natural park investment option with an education center for pupils.

Results

In the first scenario of the trolley problem, where the man who would be killed by the respondent's intervention had been already tied to the rails by the mad scientist, a majority of

60% of respondents said they would pull the switch. In the regrettable case where loss of life is unavoidable, most may have considered that wasting five lives is worse than wasting one. However, if the man who would be killed by the pulling of the switch had not been previously involved by the mad scientist, only 47.5% maintain their original stance to intervene, while 50% claim they would certainly let the course of action proceed, possibly as they feel they have no authority to dispose of the life of an innocent unsuspecting person, even if it is to save five others. Overall, a majority of 70% of respondents maintained their chosen course of action irrespective of whether the man who would be killed had or not been previously involved; this corresponds to a correlation coefficient of 0,475 between the answers of the two questions. This strong correlation indicates consistency in action and choice, but especially personal certainty of the choice made. To support this claim, more than 90% assumed responsibility for the choice made themselves rather than pass it on or at least share it with “the first adult in sight”, which can be seen as a sign of maturity. Overall, the results do not indicate a particularly strong preference for either of personally assumed responses to this ethical dilemma – to pull or not to pull the switch. What this exercise has shown however is that whatever choice respondents make, they take personal responsibility for, even faced with the perspective of guilt and remorse.

Perhaps surprisingly, the other variable that answers to this dilemma are shown as being correlated with was not a demographic, but rather respondent’s mood (the observed correlation coefficient is of 0.491). On one hand, it would seem that problems of ethical concern, especially those with high stakes and a high level of perceived personal involvement and responsibility, would be thoroughly weighted and analyzed and therefore be less vulnerable to mood or other transitory state. On the other hand, the degree of incommensurability and inherent subjectivity in such matters would leave them dependent on the decision maker’s general view on things at that certain moment in time, which in turn is determined by most recent experiences and mood.

Table 1 – Correlation between the answers to the two proposed versions of the trolley problem

		Filippa Foot’s version of the trolley problem. Would you pull the switch?			
Unger’s version of the trolley problem. Would you pull the switch?		Yes	No	Would ask the opinion of the first adult in sight	Total
	Yes	40%	5%	2.5%	47.5%
	No	20%	27.5%	2.5%	50%
	Would ask the opinion of the first adult in sight	0%	0%	2.5%	2.5%
	Total	60%	32.5%	7.5%	100%

In the case of punishing an employee with a difficult personal situation,

- only 5% of respondents would have strictly applied the regulation,
- another 22.5% would have applied partial penalties
- 37.5% would have pardoned the employee
- 27.5% would have entrusted the matter to a dedicated disciplinary commission

Noticeably, a majority of 60% would have exposed their personal authority and disposed a lighter punishment despite regulations, indicative of an empathic and ultimately humane

approach.

When asked whether they would report a mentor who has done something reckless, immoral or illegal,

- only 15% of respondents claimed they would do so, despite most approaches to ethics pointing to this solution

- 42.5% chose to consult another colleague, especially in the case where the mentor's mistake consists of an overly risky action

- 42.5% chose not to report the incident in at least one of the circumstances described, indicating that empathy and personal involvement, manifested in this case through gratitude possibly to the point of personal debt, mostly outweighs formal, objective and structured reasoning.

This result correlates with the one from the previous question to portray an image of decision-makers as not only rational, but driven strongly by subjective motivations. Such phenomenon needs to be further researched and, if thoroughly validated, paves the way for psychology as a fundamental integral part of decision sciences.

When faced with issues of sustainable development,

- 30% of respondents demanded that the park yield at least the same amount of profit as the polluting fertilizer factory in order for the former to be a more attractive alternative.

- out of these, only less than half, be it 12.5% of the total population, would exert the same demands from a children's educational facility.

- another 17.5% would accept a smaller profit, but this profit would still need to be smaller by no less than 50%.

While clearly emphasizing an already apparent orientation towards people, these percentages show that ruthless self-interest is not as dominant as some opinions of sustainable development specialists would have it. Rather, in order of priority, concern for others comes first, followed at some distance by concern for the natural environment, and only afterwards by selfish gain. In other words, even as far as economic gain is concerned, the phrase "the end justifies the means" seems not to apply to most people.

Demographic factors such as age, level of income, marital status, tenure in the current organization or level of education does not seem to discriminate the answers to any of the questions raised above.

Conclusions

Scientific literature proposes various methodologies and frameworks for objectively assessing ethical issues. What the present study has shown is that, when faced with such an issue, real-life decision-makers may involve a degree of subjectivity, empathy and personal involvement that overwhelms objectivity to the point where it greatly diminishes its power to drive and explain decisions. The survey has shown that the majority of people do not strictly follow regulations regardless of context, nor do they employ consecrated patterns of thought, nor are they ruthlessly self-interested. Instead, they prove great concern for other people and even the environment and are willing to assume responsibility for their choices. This in itself is a measure of ethical conduct, as it shows the decision-makers unafraid to expose themselves to public scrutiny. This study therefore reveals the importance of psychological and contextual interpretations alongside formal structures for decision-making in both normative and descriptive decision theory.

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К.О. Попеску

Підхід щодо прийняття рішень в етиці

У науковій літературі пропонуються різні інструменти та методології для прийняття рішень у питаннях етичної поведінки. Стикаючись із такою ситуацією, люди, які не мають такого теоретичного підґрунтя можуть спростувати це, і замість того, щоб зробити більш суб'єктивний і особистий вибір. Це дослідження ставить за мету дослідити цей аспект, в тому числі спроможність людей залучатися та брати на себе відповідальність з питань етики.

Ключові слова: теорія прийняття рішень, прийняття рішень, етика, економічне моделювання, етичні рішення, моралі, теорія ігор.

К.О. Попеску

Подход к принятию решений в этике

В научной литературе предлагаются разные инструменты и методологии для принятия решений в вопросах этического поведения. Сталкиваясь с такой ситуацией, люди, которые не имеют такой теоретической основы, могут опровергнуть это, вместо того, чтобы сделать более субъективный и личный выбор. Данное исследование направлено на изучение этого аспекта, в том числе способности людей вовлекаться и брать на себя ответственность по вопросам этики.

Ключевые слова: теория принятия решений, принятие решений, этика, экономическое моделирование, этические решения, морали, теория игр.