

# Ethical Decision Making and Training

Ethics is a complex topic and when making ethical decisions, individuals can approach ethics in different ways. This lesson will explain the theories and concepts behind ethical decision making, including the factors that affect this process and the obstacles that may hinder individuals' ability to practice ethical decision making. To assist people in these efforts, ethics training can be useful. This lesson also will discuss ethics training and the options available for providing such training.

## LEARNING OBJECTIVES:

- Explain reasons managers need to be aware of diversity management and legal regulations related to hiring, promotion, and firing.

# Beliefs and Sensitivities Impact Ethics

When individuals practice ethical behavior, including ethical decision making, their approach to ethics is influenced by their beliefs and sensitivities. A person's beliefs and ability to be sensitive are impacted by many things including their age, education, and experience.

## BELIEFS

## SENSITIVITIES

To understand how an ethically sensitive manager would behave, consider pay rates. A manager who strives to be ethically sensitive would recognize that employees need a sufficient income and would pay more than the minimum wage to demonstrate his or her appreciation for employees and their work.



Ethics is also influenced by intuition, with our intuition helping us decide what we think are basic truths regarding ethics. Our intuition also affects our ability to react quickly to a situation. Ethical intuition varies depending on whether an individual approaches it from a liberal or conservative perspective.



## Factors that Impact Ethical Decision Making in Organizations

In any organization, the ability to make ethical decisions is impacted by a number of factors, including the code of ethics, the organizational climate/culture, the organization's size, and types of rewards and sanctions given to employees.



As noted in the last lesson, a **code of ethics** is a written document that outlines an organization's mission and values, such as the expectation that employees will give the organization's customers the utmost respect. It explains the ethical principles that the organization promotes based on its mission and values. It also details the standards of professional behavior that employees are expected to maintain, including how they should approach problems. A code of ethics provides ethical guidelines for an organization and helps set the ethical tone for the organization.

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## Obstacles to Intentions to Make Ethical Decisions

Even with the best intentions and motivation to practice good ethics and make ethical decisions, individuals and organizations will face obstacles that make it difficult to achieve this goal. The following are examples of some of these obstacles:

[SECOND DOUBTS](#)

[WEAKNESS OF WILL OR LACK OF MORAL COURAGE](#)

[BREAKING OLD HABITS](#)

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## Six Common Ethical Theories

When making ethical decisions, individuals and organizations need a justification for why the decision was made a certain way. This is achieved by basing the decision on one of the following six ethical theories.



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**Egoism** – Decisions are made based on whether or not the outcome will benefit the decision maker. A person acts to create the greatest good for himself or herself. If an action promotes the person's interests, it is regarded as right. If it does not, it is regarded as wrong.

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## Importance of Ethics Training Programs

One way to promote ethics and develop an ethical organizational culture is to implement an ethics training program. According to the Merriam-Webster Dictionary, **training** is simply the "process by which someone is taught the skills that are needed for an art, profession, or job." With ethics training, such training would focus on ethics—what is it and how does one practice ethical behavior? Here are what some scholars have to say:

[MADSEN AND SHAFRITZ](#)

[DOBEL](#)

[THOMPSON](#)

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## Training Recipients

When training programs are implemented, they should be provided to every employee in the organization. Ethics decisions are made at every level so each employee, including top managers, should receive training. Training should be provided when employees are hired as part of their orientation process. Then, periodically, refresher training should be provided to remind employees throughout the organization of expectations for them regarding ethics.

Thompson (1992) pointed out that some employees may be insulted when asked to attend ethics training. They may think that they are ethical people and do not need to be trained on how to practice ethical behavior. But, according to Thompson (1992), just because an individual personally practices ethical behavior, it does not automatically follow that he or she will have a good understanding of what the organization expects in this regard.

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Ethics training is necessary, even for ethical employees, to ensure they understand ethics in the context of the organization and how to practice ethical behavior that meets the organization's expectations.



## Workshop Formats for Ethics Training

Organizations have a variety of workshop format options for ways to deliver ethics training. They should review each format and select the one(s) that are most suitable for their organization's ethics training needs. The following is an overview of several options:

[CODE OF CONDUCT ANALYSIS](#)

[TYPICAL BEHAVIORS EXPERIENCE](#)

[BUSINESS ETHICS SCENARIOS FOR DISCUSSION](#)

[FRAUD AND THEFT EXPLORATION](#)

[ETHICS PERSONALITY MEASURES](#)

[BENCHMARK TO AN IDEAL EMPLOYEE](#)



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# Lesson Overview

Organizations need to be aware of the different personalities that may affect ethical decisions. In order to promote ethical behavior ethics needs to be discussed at all levels of the organization. Training is essential to ensure that employees know what is and isn't ethical and employees can help improve an organization's performance by assessing the current ethical climate.



## Knowledge Check

*Theodore is the manager of a furniture store. He has four salespeople working for him, and they work on commission. When they sell a piece of furniture, they get a percentage of the profit for that particular item. The store has strict written rules about how commissions are to be distributed, and the amounts that are allotted for each type of furniture.*

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Lately, one of the salespeople has been making considerably larger commissions than the other salespeople. She is achieving this because she has started zeroing in on customers the minute they walk in the door, ensuring that customers deal with her as opposed to one of the other salespeople. The only way the others manage to get a customer is if she is busy. The other salespeople have complained to Theodore that this is not fair and he needs to require her to change her work habits. Theodore refuses, insisting that what she is doing does not violate the store's written rules regarding commissions. By taking this approach to the situation, what type of intuition is Theodore following?

☐ Liberal Intuition

☐ Conscientiousness

☐ Conservative Intuition

☐ Deontology

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Which of the following correctly lists four of the factors that impact ethical decision making in organizations?

☐ Code of ethics, organizational climate/culture, cultural relativism, and rewards and sanctions

☐ Code of ethics, organizational climate/culture, organization size, and rewards and sanctions

☐ Code of ethics, organizational climate/culture, organization size, and intuition

☐ Liberal intuition, conservative intuition, locus of control, and sensitivity

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Cynthia is the manager for an engineering firm that has been asked to advise a state government on the best way to build a new highway system. She is considering the following options:

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- The cheapest option will fit the state's budget but will result in a highway that will be prone to traffic jams and will limit truck traffic, impacting interstate commerce.
- The most expensive option will provide a highway that will make it easy to travel without getting in a traffic jam, and it will support heavy truck traffic. However, the state cannot afford this option without incurring a great deal of debt to pay for it.
- The third option will enable traffic to flow well as long as no accidents or other traffic problems occur. It will support truck traffic provided it is not over a weight limit. The state can afford this option provided its budget is revised to transfer monies from nonessential services.

Cynthia recommends the third option because it will produce the greatest good for the greatest number of people who travel the state's highways while being affordable in the state's budget. By making this decision using this justification, which of the six ethical theories is Cynthia using to guide her decision making processes?

☐ Cultural Relativism

☐ Utilitarianism

☐ Egoism

☐ Social Group Relativism

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The employees at a law firm have been instructed that they are to attend ethics training. The firm's managers have decided to use a workshop format that will review how well ethics is instilled in the organization and how well employees are abiding by written guidelines that the firm has regarding ethics. The employees will highlight and praise areas of strength. They also will identify weaknesses and develop strategies for improvement in these areas. What type of workshop will the employees be attending?

☐ Code of conduct analysis

☐ Typical behaviors experience

☐ Create business ethics scenarios for discussion

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☐ Ethical culture assessment

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*Juanita is concerned. She just conducted a workshop focused on ethics personality measures. She learned that one of her subordinates believes that his race is superior to other groups, and he hates anyone who is not part of his race. Juanita knows that this means he practices a personality type that makes him more likely to be a bully in the workplace. Now that she knows this, she anticipates having problems with this employee in the future. What personality type is this employee?*

☐ Organizational citizenship behavior (OCB)

☐ Social dominance orientation (SDO)

☐ Machiavellianism

☐ Social Group Relativism

Key Terms:

[BELIEF](#)

[CODE OF ETHICS](#)

[CONSCIENTIOUSNESS](#)

[CONSERVATIVE INTUITION](#)

[CULTURAL RELATIVISM](#)

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