

Ethical Decision Making in Organization

Introduction

The Decision making process has been an important criteria that has to be given due attention in case of the organizations. The complexity in the business processes and rapid enhancement across all the areas of the organization requires managers to not only make the sound decision, but also to make them at no time. The success of an organization to a larger extent depends upon the ability of its management to take good and effective decisions (Kinicki 2008, 249-50). In order to fulfill the complex needs of the customers on a timely basis, it has becomes essential that the management should try to adopt every possible means in order to satisfy such complex demands. The competition in the market has driven to all these changes and businesses are compelled to take quick decisions. In addition to this, there has been rapid enhancement in the field of technology that has also provided with various tools to the management in order to support their decisions. Such tools enable the management to not only takes the sound decision, but also to comply with all the major requirements of the customers. In addition to this, the customers are also quite attentive in this complex modern era and they are more concerned with the decisions being undertaken by organizations. They are highly aware about the ethical aspects concerning the major decisions taken by the organizations and as such, it has also become necessary for the organization to consider the ethical aspects as well, while undertaking big decisions. It has been found that customers use to purchase the products of that organization, which is ethically sound enough in making its business decisions. Thus, in order to survive in this complex modern era, it becomes essential for the businesses to not only make the sound decisions, but also to ensure ethical aspect in their decisions as well (Ferrell, Ferrell and Fraedrich 2005, 40-42). Apart from all this factors, the cultural aspects also have a major role to play in the ethical decision

making process. As the companies are globalizing their activities, they are facing a totally different culture, which also affects their ability to take ethical decisions (Srnka 2004, 1-32).

This paper is basically concerned with a brief discussion on the decision making processes that are being followed in the organizations, in order to effectively meet out the complex demands of the modern customers. In addition to this, the paper will also include a brief discussion on the ways through which managers can transform these decisions into a more ethical one in the context of contemporary organizations. Finally, the paper concludes with a brief conclusion on the major findings from the analysis about the decision making processes in the given paper.

Decision Making Processes

Decision making is an important perspective that persists in case of almost all the organization whether it is big or small organization. It becomes essential for the managers to take decisions in order to conduct the activities of the organization in the most efficient manner. Managers in the organization are best referred to as the decision makers and as such, the success or the failure of the organization to a larger extent depends upon its decision makers. Good decision by managers would lead to overall success and a bad one would lead to the failure of the organization. This implies that decision making is quite crucial for the success of the business organization. Decision making is usually done in case of a complex changing environment which comprises of constantly changing factors. As a result, best managers of the successful companies sometimes make blunder while taking important decision for the entire organization. As the business environment is changing at a rapid pace, managers in organizations are dealing with a higher percentage of non programmed decisions. This implies that the complex decision making environment have increased the difficulties in the decision making process and as such, there is a need for a new decision

making processes in the organization, for the purpose of ensuring effective decision making that leads to the overall success of the organization. However, the managers should adopt a rational decision making approach while dealing with the complex problem of the organization. This is because, the rational approach focus on the need for systematic analysis of a problem which is followed by a logical step by step sequence. A systematic procedure should be followed by the managers while taking important decisions. A deep understanding to the managers about the decision making process would help him in taking better decisions even there exists a lack of clear information (Lozano 2001, 126-128). The decision making processes that should be followed by managers in solving the complex problems of the organization is discussed as follows:

- ***Monitoring the Decision Environment:*** The first step in the effective decision making process is to monitor the decision environment. The manager should monitor the internal as well as the external information and should try to find out deviations in the planned and acceptable behavior (Daft 2009, 450-57).
- ***Define the Decision Problem:*** The next major step in the decision making process is to define the problem. The deviations as identified in the first step would help the managers in defining the decision problem in the most effective manner, as it will provide with the exact reason for such deviations.
- ***Specifying Decision Objectives:*** The objectives to be achieved from the decision should be specified by the managers. In simple words, it implies the aim that should be achieved from the entire decision making process.
- ***Diagnose the Problem:*** This implies the critical evaluation of the problem. A proper analysis should be conducted in order to identify the major reason for the occurrence

of the problem. In order to facilitate the diagnosis, additional data should be collected if required. A proper understanding of the major reason for the problem would lead to a better solution of the entire problem and would help the managers in taking decisions in future in a more appropriate manner (Daft 2009, 450-57).

- ***Develop Alternative Solutions:*** Before moving towards a decisive action plan, the manager should have a clear understanding of various options that are available to him in the achievement of the desired objectives. In order to have a better understanding, the manager may seek ideas from the other people of the organization.
- ***Evaluate Alternatives:*** The alternatives as identified in the above mentioned step need to be evaluated for the purpose of making the best possible decision to the problem in hand. The ideas from different people in the organization would result into various solutions and as such, the best possible one has to be identified by making a critical evaluation of all such ideas (Daft 2009, 450-57).
- ***Choosing the Best Alternatives:*** The evaluation of all the alternatives would provide with the solution of the given problem with the best possible alternatives. Thus the alternatives that seem to be best among the others should be chosen, so that a better decision can be possible.
- ***Implementation of the Chosen Alternatives:*** The final step in the decision making process is the implementation of the chosen alternatives to achieve the desired objectives. The manager should use his skills and abilities in order to ensure that decision is carried out. This is the important step of the entire decision making processes as an improper implementation of the decision would result into a failed

decision. The implementation of alternatives would be followed by a monitoring process (Daft 2009, 450-57).

The first four stage of the entire decision making process can be regarded as the problem identification stage and the next four implies the problem solution stage of the decision making process.

Ethical Transformation of Decisions

One of the major area that needs attention in the current decision making process is the ethical decision making. The management of ethical behavior in the organization is one of the major problems as faced by managers in the organizations today. The decisions of the employees to behave in an ethical manner or not is highly influence by the situational factors. Decision history, personality and the managerial philosophy are the few factors through which the employee's behavior can be changed towards the more ethical one (Stead, Edward and Stead 1990, 233-42). This implies that the managerial philosophy have a major role to play in transforming the decisions into an ethical one.

In order to ensure ethical decision making by managers and individuals in organization, Thomas M Jones (1991) suggest an issue contingent models which contains a new set of variables known as moral intensity. Moral intensity can be defined as a construct that considers the extent of issue related moral imperative to a particular situation. The moral intensity is not concerned with traits of the moral decision makers or the organizational culture, rather its major emphasis is on the moral issue, so that ethical decision making and behavior can be ensured in the organization by focusing on the characteristics of moral issue (Jones 1991, 366-95).

Linda Klebe Trevino (1986), have proposed an Interactionist model in order to ensure ethical decision making within the organization. There has been a huge attention being given to the ethical decision making in organization, particularly because of variety of reasons such as increasing public concern about the ethical behavior of the organizations, managers cynicism etc. The interactionist model of ethical decision making implies that the situational and the individual variables interact with the cognitive component in order to determine the ways in which the managers behave in response to an ethical dilemma. Such behaviors can be identified and necessary actions can be taken in order to transform the decisions of the managers towards a more ethical perspective (Trevino 1986, 601-17).

The decisions of the managers in the organizations would affect by a numerous number of factors in future such as the social, environmental as well as the economic concerns as well. In order to effectively combat such complex situation and to take decision that are ethically acceptable, it becomes essential that the Decision Support System of the organization should embrace procedures that can effectively deal with such complexities and enables the managers in taking a more of ethical decisions (Courtney 2001, 17-38).

Thus, all the above mentioned models as proposed by various scholars in the past can be made use of, in transforming the decision of managers towards more ethical oriented decisions. In addition to all these models, the decision making processes as discussed above, can also be made use of for encouraging managers to take ethical decisions. A study conducted by James W Dean and Mark P. Sharfman (1996) on the importance of decision making process implies that the decision making processes are related to the success of the decision. By following each and every steps of decision making processes, managers can ensure success of the entire decision making and ultimately the compliance of such decision with that of the ethical aspects as well (Dean and Sharfman 1996, 368-96).

Conclusion

A brief discussion on the decision making processes and the ethical aspects of the managerial decision provides a significant learning about its importance in the complex business environment. The decision making has been a crucial aspect that leads to the success as well as the failure of the organizations. As such, it should be taken with great care. A brief discussion on the various decision making processes implies that there are various stages in the entire decision making process and proper compliance of all such processes by the managers would enable the managers to take better decisions. In addition to this, there is an increasing pressure on the managers to ensure the compliance of ethical aspects in their decision making. The increasing awareness about the environmental concern among the public have been the major reason driving the managers to take ethical decisions. As such, it becomes essential that the decisions of the managers should be transformed towards a more ethical decision and this could be possible with the help of various models as proposed by various scholars such as interactionist model, moral intensity, decision support systems etc. In addition to this, the decision making processes would also help in achieving success in the decision making process and ultimately in ensuring a more ethical decision as well.

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