

THE TEN-STEP METHOD OF DECISIONMAKING

BACKGROUND

Developed by Jon Pekel and Doug Wallace, the Ten Step Method of Decision-making has five features that make it practically useful in today's highly competitive, global context, rapidly changing business environment:

1. Stakeholder Based

- Based on the stakeholder theory of management – assumes that anyone or any entity that could be significantly affected has a RIGHT to have its best interests CONSIDERED

2. Ethical Theory Based

- Based on (and incorporates as a check-and-balance on one another) the two most commonly used and beneficial ethical decision-making perspectives
- **Consequential perspective** focuses on the cost/benefit affects of the decision
- **Absolute principle perspective** focuses on aligning action with universal ethical principles

3. Systems Based

- Probes for and deals with underlying drivers that cause and exacerbate the situation.
- Doesn't just deal with "rotten apple issues" in the barrel; forces decision-makers to also deal with the barrel (organizational culture and systems)

4. Ethical Checklist

- Includes a simple checklist that gives the decision-makers a numerical sense of how effective they have been in using the ethical dimensions of the decision-making process.

5. Designed To Be A Highly Practical Management Tool

- As the situation warrants, some or all of the ten steps can be used
- Recognizes that most serious, high-risk, high-impact issues stem from management's actions or inactions
- Effective in dealing with highly complex situations, including cross-cultural international business issues
- Also useful for non-management staff in raising and resolving ethical issues

Ten Step Method Of Decision-Making

SITUATION ANALYSIS

1.	What are the known KEY FACTS in this situation?		
2.	List the MAJOR STAKEHOLDERS (those affected by the situation): what do they value and want as desired outcomes?		
	KEY STAKEHOLDERS	WHAT THEY VALUE	THEIR DESIRED OUTCOMES
	1) -----	-----	-----
	2) -----	-----	-----
	3) -----	-----	-----
3.	List the UNDERLYING DRIVERS that are causing or exacerbating this ethical problem? [Incorporate in Step 8 below]		
4.	List in priority order the UNIVERSAL ETHICAL PRINCIPLES and OPERATING VALUES that should be upheld in the decision?		
5.	List who should HAVE INPUT TO or BE INVOLVED IN making the decision?		
6.	<p>1) Brainstorm possible alternatives to resolve the situation. Then, test each alternative against the 3 review-gate criteria listed below. Only alternatives that pass all 3 review-gates become VIABLE alternatives worthy of further consideration.</p> <ul style="list-style-type: none"> 1. Prevents or minimizes HARM to the above listed stakeholders 2. Upholds the ETHICAL PRINCIPLES and OPERATING VALUES identified in Step 4 3. Is a good, WORKABLE SOLUTION to the entire situation <p>2) Next, determine the possible consequences of each viable alternative on each major stakeholder.</p>		
	STAKEHOLDERS	VIABLE ALTERNATIVE 1	VIABLE ALTERNATIVE 2
	1) -----	-----	-----
	2) -----	-----	-----
7.	Select the preferred alternative and build a WORST CASE SCENARIO (made up of things that could go wrong in implementing your preferred alternative) and determine how it affects each stakeholder.		
8.	Add a PREVENTIVE ETHICS COMPONENT to your preferred alternative that deals with the underlying drivers identified in Step 3.		
9.	DECIDE AND BUILD AN ACTION-PLAN that incorporates the best choices you've made in all of the above listed steps.		
10.	Evaluate your chosen alternative (modified to deal with underlying drivers) against the ETHICAL CHECKLIST on the next page.		

Ten Step Method Of Decision-Making

ETHICAL CHECKLIST

Directions. Using the 0-through-6 scale, evaluate your preferred decision (including both its short-term immediate and long-term preventive components) against the following eight tests. Place an "X" in the most appropriate column. Then, total all answers, check the appropriate Decision-Making Confidence Scale, and follow the directions relating to your results.

EFFECTIVE DECISION-MAKING TESTS	RATING SCALE						
	Not At All ←-----→Totally Yes						
	0	1	2	3	4	5	6
1. <u>RELEVANT INFORMATION TEST.</u> Have we obtained as much information as possible to make an informed decision and action-plan for this situation?							
2. <u>INVOLVEMENT TEST.</u> Have we involved as many as possible of those who have a right to have input to, or actual involvement in, making this decision and action-plan?							
3. <u>CONSEQUENTIALIST TEST.</u> Have we attempted to accommodate for the consequences of this decision and action-plan on any who could be significantly affected by it?							
4. <u>UNIVERSAL ETHICAL PRINCIPLES TEST.</u> Does this decision and action-plan uphold the ethical principles (Step 4) that we think are relevant to this situation?							
5. <u>FAIRNESS TEST.</u> If we were any one of the stakeholders in this situation, would we perceive this decision and action-plan to be fair, given all of the circumstances?							
6. <u>UNIVERSALITY TEST.</u> Would we want this decision and action-plan to become "universally applicable" so it would be apply to all in similar situations, including ourselves?							
7. <u>PREVENTIVE TEST.</u> Does this decision and action-plan prevent or minimize similar situations from happening again?							
8. <u>LIGHT-OF-DAY (OR 60 MINUTES TV PROGRAM) TEST.</u> Can our decision and action-plan stand the test of broad-based public disclosure in which everyone knows everything about both what we decided and how we made the decision?							

EFFECTIVE DECISION-MAKING CONFIDENCE SCALE

What is the total of all of your circled numbers? _____ Now, check the box representing the appropriate range. If needed, revise your decision and action-plan.

CHECK RANGE	TOTALS	HOW CONFIDENT CAN YOU BE OF HAVING DONE AN EFFECTIVE JOB OF DECISION-MAKING?
	44 - 48	Extremely confident - Definitely do not need to revise your decision.
	39 - 43	Very confident - Probably do not need to revise your decision.
	33 - 38	Somewhat confident - Should revise your decision.
	24 - 32	Not very confident - Definitely revise your decision.
	0 - 23	Not at all confident - Definitely redo your entire analysis