

## Chapter 02

### Ethical Decision-Making: Personal and Professional Contexts

#### True/False Questions

1. The first step in making decisions that are ethically responsible is to consider all of the people affected by a decision, the people often called stakeholders.

Answer: False

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics; Analytic

Page: 47

Feedback: The first step in making decisions that are ethically responsible is to determine the facts of the situation.

2. There is a role for science and theoretical reason in any study of ethics.

Answer: True

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics; Analytic

Page: 47

Feedback: Given the general importance of determining the facts, there is a role for science (and theoretical reason) in any study of ethics.

3. A person who acts in a way that is based upon a careful consideration of the facts has acted in a more ethically responsible way than a person who acts without deliberation.

Answer: True

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

Page: 48

Feedback: A person who acts in a way that is based upon a careful consideration of the facts has acted in a more ethically responsible way than a person who acts without deliberation.

4. In the ethical decision-making process, the issue identification step always follows the fact gathering step.

Answer: False

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 48

Feedback: The first step in making decisions that are ethically responsible is to determine the facts of the situation. A second step in responsible ethical decision making requires the ability to recognize a decision or issue as an ethical decision or ethical issue. The first and second steps of the ethical decision-making process might arise in reverse order, depending on the circumstances. The issue identification, therefore, becomes the first step, while fact gathering is a necessary step number two.

5. Decisions made on economic grounds imply the lack of ethical considerations.

Answer: False

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 48

Feedback: We need to recognize that "business" or "economic" decisions and ethical decisions are not mutually exclusive. Just because a decision is made on economic grounds does not mean that it does not involve ethical considerations, as well.

6. Inattentional blindness is the inability to recognize ethical issues.

Answer: False

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics; Analytic

Page: 49

Feedback: Inattentional blindness results from focusing failures.

7. Normative myopia occurs only in business.

Answer: False

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics; Analytic

Page: 49

Feedback: Normative myopia does not occur only in business.

8. Stakeholders include only those groups and/or individuals within an organization affected by an internal decision, policy or operation of a firm or individual.

Answer: False

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 51

Feedback: Stakeholders include all of the groups and/or individuals affected by a decision, policy or operation of a firm or individual.

9. The most helpful way to compare and weigh the alternatives is to try to place oneself in the other person's position.

Answer: True

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

Page: 55

Feedback: To compare and weigh the alternatives—create a mental spreadsheet that evaluates the impact of each alternative you have devised on each stakeholder you defined. Perhaps the most helpful way to accomplish this task is to try to place oneself in the other person's position.

10. A critical element of comparing and weighing the alternatives is the consideration of ways to mitigate, minimize, or compensate for any possible harmful consequences.

Answer: True

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

Page: 55

Feedback: The next step in the decision-making process after considering all available alternatives is to compare and weigh the alternatives. A critical element of this evaluation will be the consideration of ways to mitigate, minimize, or compensate for any possible harmful consequences or to increase and promote beneficial consequences.

11. Consequences or justifications are the only means for comparing alternatives.

Answer: False

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 56

Feedback: Consequences or justifications are not the only means for comparing alternatives. Some alternatives might concern matters of principles, rights, or duties that override

consequences.

12. The best environment for high quality ethical decision making involves “thin air thinking.”

Answer: False

Difficulty: Easy

Learning Objective: 02-02

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 57

Feedback: It is much more effective to have the time and space in which to consider the questions of ethical decision making before we are faced with them, than when they become urgent and we must engage in “thin air thinking,” not the best environment for our high quality decision making.

13. Within business, an organization's context sometimes makes it difficult for even the best-intentioned person to act ethically.

Answer: True

Difficulty: Easy

Learning Objective: 02-04

Topic: Ethical Decision Making in Managerial Roles

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 63

Feedback: Within business, an organization's context sometimes makes it difficult for even the best-intentioned person to act ethically.

14. Responsibility for the circumstances that can encourage ethical behavior and can discourage unethical behavior falls predominantly to the business management and executive team.

Answer: True

Difficulty: Easy

Learning Objective: 02-04

Topic: Ethical Decision Making in Managerial Roles

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 63

Feedback: Responsibility for the circumstances that can encourage ethical behavior and can discourage unethical behavior falls predominantly to the business management and executive team.

15. Within a business setting, individuals must consider the ethical implications of both personal and professional decision-making.

Answer: True

Difficulty: Easy

Learning Objective: 02-04

Topic: Ethical Decision Making in Managerial Roles

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 63

Feedback: Within a business setting, individuals must consider the ethical implications of both personal and professional decision-making.

### Multiple Choice Questions

16. The first step in making decisions that are ethically responsible is to:

- a. determine the facts.
- b. consider the available alternatives.
- c. monitor and learn from the outcomes.
- d. identify and consider the impact of the decision on stakeholders.

Answer: a

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 47

Feedback: The first step in making decisions that are ethically responsible is to determine the facts of the situation.

17. Which of the following is the second step of the ethical decision-making process?

- a. Considering available alternatives
- b. Making the decision
- c. Identifying the ethical issues involved
- d. Considering the impact of the on stakeholders

Answer: c

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics; Analytic

Page: 48

Feedback: A second step in responsible ethical decision making requires the ability to recognize a decision or issue as an ethical decision or ethical issue.

18. Kathy, your best friend and class mate, asks you to help her with a challenging ethical predicament. Which of the following would be your first step in the decision making process?

- a. Identifying the ethical issue
- b. Considering the available alternatives
- c. Determining the facts of the situation

d. Making the decision

Answer: a

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Apply

AACSB: Ethics; Reflective Thinking

Page: 48

Feedback: There may be times when you are presented with an issue from the start, say, when a colleague asks you for guidance with a challenging ethical predicament. The issue identification, therefore, becomes the first step, while fact gathering is a necessary step number two.

19. When does issue identification become the first step in the ethical decision-making process?

- a. When you are not accountable for the decision
- b. When you are solely responsible for a decision
- c. When you are presented with an issue from the start
- d. Under all circumstances

Answer: c

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

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Feedback: There may be times when you are presented with an issue from the start, say, when a colleague asks you for guidance with a challenging ethical predicament. The issue identification, therefore, becomes the first step, while fact gathering is a necessary step number two.

20. In the ethical decision-making process, identify the steps that might arise in reverse order, depending on the circumstances.

- a. Identifying the ethical issues; considering the impact of the decision on stakeholders
- b. Determining the facts; identifying the impact of the decision on stakeholders
- c. Identifying the impact of the decision on stakeholders; considering the available alternatives
- d. Determining the facts; identifying the ethical issues

Answer: d

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics; Analytic

Page: 48

Feedback: The first step in making decisions that are ethically responsible is to determine the

facts of the situation. Identifying the ethical issues involved is the next step in making responsible decisions. Certainly, the first and second steps might arise in reverse order, depending on the circumstances.

21. Which of the following terms refers to shortsightedness about values?

- a. Inattentional blindness
- b. Normative myopia
- c. Change blindness
- d. Descriptive ignorance

Answer: b

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 49

Feedback: Some writers have called the inability to recognize ethical issues normative myopia, or shortsightedness about values.

22. The inability to recognize ethical issues is known as \_\_\_\_\_.

- a. inattentional blindness
- b. normative myopia
- c. change blindness
- d. descriptive ignorance

Answer: b

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 49

Feedback: Some writers have called the inability to recognize ethical issues normative myopia, or shortsightedness about values.

23. Which of the following is true of normative myopia?

- a. It occurs when decision makers fail to notice gradual changes over time.
- b. It refers to the shortsightedness about values.
- c. It occurs only in business.
- d. It results from only from focusing failures.

Answer: b

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 49

Feedback: Some writers have called the inability to recognize ethical issues normative myopia, or shortsightedness about values.

24. Which of the following statements reflects the concept of normative myopia?
- a. “I was so involved in our debate that I missed the red light.”
  - b. “I never expected Draco to steal from me; he has been my friend for so long.”
  - c. “Brad met with an accident because he was drunk while driving. I hope he has learnt his lesson.”
  - d. “I may have exaggerated the features of the product to get this sale. You knew how important this deal was for me.”

Answer: d

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom’s Taxonomy: Apply

AACSB: Ethics; Reflective Thinking

Page: 49

Feedback: In business contexts, it can be easy to become so involved in the financial aspects of decisions that one loses sight of the ethical aspects. Some writers have called this inability to recognize ethical issues normative myopia, or shortsightedness about values.

25. If we are told specifically to pay attention to a particular element of a decision or event, we are likely to miss all of the surrounding details, no matter how obvious. According to Bazerman and Chugh, this phenomenon is known as \_\_\_\_.
- a. inattentional blindness
  - b. descriptive ignorance
  - c. change blindness
  - d. normative myopia

Answer: a

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom’s Taxonomy: Understand

AACSB: Ethics

Page: 49

Feedback: Bazerman and Chugh warn of inattentional blindness, which they suggest results from focusing failures. If we happen to focus—or if we are told specifically to pay attention to a particular element of a decision or event—we are likely to miss all of the surrounding details, no matter how obvious.

26. Focusing failures result in moments where we ask ourselves, “How could I have missed that?” According to Bazerman and Chugh, this phenomenon is known as:
- a. change blindness.
  - b. descriptive ignorance.
  - c. inattentional blindness.
  - d. normative myopia.

Answer: c

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

Page: 49

Feedback: Bazerman and Chugh warn of inattentional blindness, which they suggest results from focusing failures. These focusing failures then result in a moment where we ask ourselves, "How could I have missed that?"

27. According to Bazerman and Chugh, inattentional blindness results from \_\_\_\_\_.

- a. ignorance
- b. passivity
- c. thoughtlessness
- d. focusing failures

Answer: d

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 49

Feedback: Bazerman and Chugh warn of inattentional blindness, which they suggest results from focusing failures.

28. Which of the following is true of inattentional blindness?

- a. It occurs when decision makers fail to notice gradual changes over time.
- b. It refers to the shortsightedness about values.
- c. It distinguishes good people who make ethically responsible decisions from good people who do not.
- d. It results from focusing failures.

Answer: d

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 49

Feedback: Bazerman and Chugh warn of inattentional blindness, which they suggest results from focusing failures.

29. Speaking on a cell phone while driving, and as a result, missing a highway turn-off by mistake is an example of \_\_\_\_\_.

- a. normative myopia
- b. inattentional blindness

- c. descriptive ignorance
- d. change blindness

Answer: b

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

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Page: 49

Feedback: Bazerman and Chugh warn of inattentional blindness, which they suggest results from focusing failures. These focusing failures then result in a moment where we ask ourselves, "How could I have missed that?" You may recall speaking on a cell phone while driving and perhaps missing a highway turn-off by mistake.

30. The Arthur Andersen auditors did not notice how low Enron had fallen in terms of its unethical decisions over a period of time. According to Bazerman and Chugh, this omission is an example of \_\_\_\_\_.

- a. inattentional blindness
- b. descriptive ignorance
- c. change blindness
- d. normative myopia

Answer: c

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

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Feedback: Bazerman and Chugh identify a third means by which ethical issues might go unnoticed: change blindness. This omission occurs when decision makers fail to notice gradual changes over time and they offer the example of the Arthur Andersen auditors who did not notice how low Enron had fallen in terms of its unethical decisions.

31. Which of the following is true of change blindness?

- a. It occurs when decision makers fail to notice gradual variations over time.
- b. It refers to the shortsightedness about values.
- c. It distinguishes good people who make ethically responsible decisions from good people who do not.
- d. It results from focusing failures.

Answer: a

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

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Feedback: Bazerman and Chugh identify a third means by which ethical issues might go unnoticed: change blindness. This omission occurs when decision makers fail to notice gradual changes over time.

32. Which omission occurs when decision makers fail to notice gradual variations over time?

- a. Inattentional blindness
- b. Incremental blindness
- c. Change blindness
- d. Normative myopia

Answer: c

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Analytic

Page: 49, 51

Feedback: Bazerman and Chugh identify a third means by which ethical issues might go unnoticed: change blindness. This omission occurs when decision makers fail to notice gradual changes over time and they offer the example of the Arthur Andersen auditors who did not notice how low Enron had fallen in terms of its unethical decisions.

33. In the ethical decision-making process, once one examines the facts and identifies the ethical issues involved, one should next \_\_\_\_\_.

- a. make the decision
- b. consider the available alternatives
- c. monitor and learn from the outcomes
- d. identify the stakeholders

Answer: d

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Analytic

Page: 51

Feedback: The third step involved in ethical decision making involves one of its more critical elements. We are asked to identify and to consider all of the people affected by a decision, the people often called stakeholders.

34. "\_\_\_\_\_" include all of the groups and/or individuals affected by a decision, policy, or operation of a firm or individual.

- a. Stakeholders
- b. Shareholders
- c. Employees
- d. Owners

Answer: a

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Analytic

Page: 51

Feedback: "Stakeholders" include all of the groups and/or individuals affected by a decision, policy, or operation of a firm or individual.

35. Jim resides in the vicinity of a steel manufacturing firm. Any changes in the pollution control or waste treatment policy of the firm indirectly affects Jim. In this sense, Jim is a(n)

\_\_\_\_\_.

- a. shareholder
- b. employee of the firm
- c. observer
- d. stakeholder

Answer: d

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Apply

AACSB: Reflective Thinking

Page: 51

Feedback: "Stakeholders" include all of the groups and/or individuals affected by a decision, policy, or operation of a firm or individual.

36. In an ethical decision-making process, moral imagination helps individuals make ethically responsible decisions. Identify the step in which moral imagination is critical.

- a. Determining the facts
- b. Considering the available alternatives
- c. Identifying the ethical issues
- d. Identifying and consider impact of decision on stakeholders

Answer: b

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Once we have examined the facts, identified the ethical issues involved, and identified the stakeholders, we need to consider the available alternatives. Creativity in identifying options—also called "moral imagination"—is one element that distinguishes good people who make ethically responsible decisions from good people who do not.

37. In the ethical decision-making process, once we have examined the facts, identified the ethical issues involved, and identified the stakeholders, we need to next \_\_\_\_\_.

- a. make the decision

- b. consider the available alternatives
- c. consider how a decision affects stakeholders
- d. identify stakeholders

Answer: b

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

Page: 55

Feedback: Once we have examined the facts, identified the ethical issues involved, and identified the stakeholders, we need to consider the available alternatives.

38. In the ethical decision-making process, creativity in identifying options is also known as \_\_\_\_\_.

- a. moral imagination
- b. descriptive imagination
- c. intentional deliberation
- d. normative imagination

Answer: a

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Creativity in identifying options—also called “moral imagination”—is one element that distinguishes good people who make ethically responsible decisions from good people who do not.

39. \_\_\_\_\_ is one element that distinguishes good people who make ethically responsible decisions from good people who do not.

- a. Normative myopia
- b. Inattentional blindness
- c. Change blindness
- d. Moral imagination

Answer: d

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Once we have examined the facts, identified the ethical issues involved, and identified the stakeholders, we need to consider the available alternatives. Creativity in identifying options—also called “moral imagination”—is one element that distinguishes

good people who make ethically responsible decisions from good people who do not.

40. Which of the following is true of moral imagination?

- a. It occurs when decision makers fail to notice gradual variations over time.
- b. It refers to the shortsightedness about values.
- c. It distinguishes good people who make ethically responsible decisions from good people who do not.
- d. It results from focusing failures.

Answer: c

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Once we have examined the facts, identified the ethical issues involved, and identified the stakeholders, we need to consider the available alternatives. Creativity in identifying options—also called “moral imagination”—is one element that distinguishes good people who make ethically responsible decisions from good people who do not.

41. Which of the following elements distinguish good people who make ethically responsible decisions from good people who do not?

- a. Normative imagination
- b. Moral obligation
- c. Ethical goal orientation
- d. Moral imagination

Answer: d

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Moral imagination is one element that distinguishes good people who make ethically responsible decisions from good people who do not.

42. Which of the following elements is important not only to consider the obvious options with regard to a particular dilemma, but also the much more subtle ones that might not be evident at first blush?

- a. Intentional deliberation
- b. Descriptive imagination
- c. Moral imagination
- d. Normative imagination

Answer: c

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Creativity in identifying options—also called “moral imagination”—is one element that distinguishes good people who make ethically responsible decisions from good people who do not. It is important not only to consider the obvious options with regard to a particular dilemma, but also the much more subtle ones that might not be evident at first blush.

43. In the ethical decision-making process, identify the step that involves predicting the likely, foreseeable, and the possible consequences to all the relevant stakeholders.

- a. Comparing and weighing the alternatives
- b. Making the decision
- c. Identifying the ethical issues
- d. Monitoring and learning from the outcomes

Answer: a

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Weighing the alternatives will involve predicting the likely, the foreseeable, and the possible consequences to all the relevant stakeholders.

44. “A critical element of this step in the ethical decision-making process will be the consideration of ways to mitigate, minimize, or compensate for any possible harmful consequences or to increase and promote beneficial consequences.” Which step is this?

- a. Monitoring the outcomes
- b. Considering available alternatives
- c. Identifying the ethical issues
- d. Comparing and weighing alternatives

Answer: d

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: A critical element of weighing the alternatives will be the consideration of ways to mitigate, minimize, or compensate for any possible harmful consequences or to increase and promote beneficial consequences.

45. Consequences, justifications, principles, rights, or duties are all methods to:

- a. identify the stakeholders that may be impacted by the decisions.

- b. find out about the various available alternatives.
- c. compare and weigh alternatives.
- d. identify the ethical issues involved.

Answer: c

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55, 56

Feedback: Consequences or justifications are not the only means for comparing alternatives. Some alternatives might concern matters of principles, rights, or duties that override consequences.

46. Which step in the ethical decision-making process occurs once you have considered how a decision affects stakeholders by comparing and weighing the alternatives?

- a. Identifying the ethical issues involved
- b. Monitoring and learning from outcomes
- c. Making a decision
- d. Identifying key stakeholders

Answer: c

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 56-57

Feedback: Once you have considered how a decision affects stakeholders by comparing and weighing the alternatives, you make the required decision.

47. Which of the following is the final step in the ethical decision-making process?

- a. Identifying the ethical issues involved
- b. Monitoring and learning from outcomes
- c. Considering how a decision affects stakeholders
- d. Identifying key stakeholders

Answer: b

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

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Feedback: Once you have explored the variables, it is time to make a decision. However, the process is not yet complete. To be accountable in our decision making, it is not sufficient to deliberate over this process, only to later throw up our hands once the decision is made: "It's out of my hands now!" Instead, we have the ability as humans to learn from our experiences.

That ability creates a responsibility to then evaluate the implications of our decisions, to monitor and learn from the outcomes, and to modify our actions accordingly when faced with similar challenges in the future.

48. When faced with a situation that suggests two clear alternative resolutions, we often consider only those two clear paths, missing the fact that other alternatives might be possible. Considering limited alternatives is a stumbling block to responsible action that can be categorized as a(n) \_\_\_\_\_.

- a. personality barrier
- b. perceptual barrier
- c. cognitive barrier
- d. individuality barrier

Answer: c

Difficulty: Medium

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in “Bad” Acts?

Bloom’s Taxonomy: Understand

AACSB: Ethics

Page: 59-60

Feedback: Some stumbling blocks to responsible action are cognitive or intellectual. One cognitive barrier is that we sometimes only consider limited alternatives. When faced with a situation that suggests two clear alternative resolutions, we often consider only those two clear paths, missing the fact that other alternatives might be possible.

49. Which of the following is a cognitive barrier to responsible, ethical decision-making?

- a. Choosing the alternative that meets maximum decision criteria
- b. Considering unlimited alternatives
- c. Following simplified decision rules
- d. Selecting only the best option

Answer: c

Difficulty: Easy

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in “Bad” Acts?

Bloom’s Taxonomy: Remember

AACSB: Ethics

Page: 60

Feedback: Following simplified decision rules is a cognitive barrier.

50. Which of the following cognitive barriers, when used, might appear to relieve us of accountability for the decision, even if it may not be the best possible decision?

- a. Moral imagination
- b. Considering unlimited alternatives
- c. Satisfying the maximum decision criteria
- d. Using a simple decision rule

Answer: d

Difficulty: Easy

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in “Bad” Acts?

Bloom’s Taxonomy: Remember

AACSB: Ethics

Page: 60

Feedback: Using a simple decision rule might appear to relieve us of accountability for the decision (you did not “make” the decision; the rule required the decision to be made), even if it may not be the best possible decision.

51. Which of the following explains the term “satisficing?”

- a. Striving to select only the best alternative
- b. Following simplified decision rules
- c. Selecting the alternative simply because it is the easy way out
- d. Selecting the alternative that meets minimum decision criteria

Answer: d

Difficulty: Medium

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in “Bad” Acts?

Bloom’s Taxonomy: Remember

AACSB: Analytic

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Feedback: We often select the alternative that satisfies minimum decision criteria, otherwise known as “satisficing.”

52. Identify the barrier where individuals or groups select the option that meets the minimum decision criteria, the one that people can live with, even if it might not be the best.

- a. Considering simplified decision rules
- b. Satisficing
- c. Optimizing
- d. Selecting easy decisions

Answer: b

Difficulty: Easy

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in “Bad” Acts?

Bloom’s Taxonomy: Remember

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Feedback: We often select the alternative that satisfies minimum decision criteria, otherwise known as “satisficing.” We select the option that suffices, the one that people can live with, even if it might not be the best.

53. According to Socrates, which of the following aspects leads to an unexamined life not worth living?

- a. Bounded ethicality
- b. Passivity
- c. Cultural myopia
- d. Satisficing

Answer: b

Difficulty: Easy

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in “Bad” Acts?

Bloom’s Taxonomy: Remember

AACSB: Analytic

Page: 62

Feedback: Passivity is exactly the sort of unexamined life that Socrates claimed was not worth living.

54. Which of the following is an example of an institutional role?

- a. Friend
- b. Citizen
- c. Neighbor
- d. Teacher

Answer: d

Difficulty: Easy

Learning Objective: 02-04

Topic: Ethical Decision Making in Managerial Roles

Bloom’s Taxonomy: Understand

AACSB: Analytic

Page: 63

Feedback: Some of our roles are social: friend, son or daughter, spouse, citizen, neighbor. Some are institutional: manager, teacher, student-body president.

55. Which of the following is an example of a social role?

- a. Student-body president
- b. Manager
- c. Neighbor
- d. Accountant

Answer: c

Difficulty: Easy

Learning Objective: 02-04

Topic: Ethical Decision Making in Managerial Roles

Bloom’s Taxonomy: Remember

AACSB: Analytic

Page: 63

Feedback: Some of our roles are social: friend, son or daughter, spouse, citizen, neighbor. Some are institutional: manager, teacher, student-body president.

### Fill in the Blank Questions

56. Putting ethics into practice requires not simply decision-making, but \_\_\_\_\_ decision-making.

Answer: accountable

Difficulty: Easy

Learning Objective: 02-01

Topic: Introduction

Bloom's Taxonomy: Remember

AACSB: Ethics

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Feedback: Putting ethics into practice requires not simply decision making, but accountable decision making.

57. The first step in the ethical decision-making process, when an individual is not presented with an issue from the start, is \_\_\_\_\_.

Answer: determining the facts

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 47

Feedback: The first step in making decisions that are ethically responsible is to determine the facts of the situation.

58. \_\_\_\_\_ differences surrounding how individuals experience and understand situations can explain many ethical disagreements.

Answer: Perceptual

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 47

Feedback: Perceptual differences surrounding how individuals experience and understand situations can explain many ethical disagreements.

59. The inability to recognize ethical issues while dealing with the financial aspect of business decisions is called \_\_\_\_\_.

Answer: normative myopia

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 49

Feedback: Some writers call the inability to recognize ethical issues normative myopia, or shortsightedness about values.

60. \_\_\_\_\_ occurs when decision makers fail to notice gradual changes over time.

Answer: Change blindness

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 49, 51

Feedback: Change blindness occurs when decision makers fail to notice gradual changes over time.

61. A long tradition in philosophical ethics argues that a key test for \_\_\_\_\_ is whether or not a decision would be acceptable from the point of view of all parties involved.

Answer: ethical legitimacy

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

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Feedback: A long tradition in philosophical ethics argues that a key test of ethical legitimacy is whether a decision would be acceptable from the point of view of all parties involved.

62. In an ethical decision-making process, creativity in identifying options is called "\_\_\_\_\_."

Answer: moral imagination

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 55

Feedback: Creativity in identifying options—also called “moral imagination”—is one element that distinguishes good people who make ethically responsible decisions from good people who do not.

63. Selecting the alternative that meets minimum decision criteria is known as \_\_\_\_\_.

Answer: satisficing

Difficulty: Easy

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in

“Bad” Acts?

Bloom’s Taxonomy: Remember

AACSB: Ethics

Page: 60

Feedback: We often select the alternative that satisfies minimum decision criteria, otherwise known as “satisficing.”

64. We tend to give in to \_\_\_\_\_ in our professional environments, both because we want to “fit in” and to achieve success in our organizations, and also because our actual thinking is influenced by our colleagues.

Answer: peer pressure

Difficulty: Easy

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do “Good” People Engage in “Bad” Acts?

Bloom’s Taxonomy: Remember

AACSB: Ethics

Page: 61

Feedback: We tend to give in to peer pressure in our professional environments, both because we want to “fit in” and to achieve success in our organizations, and also because our actual thinking is influenced by our peers.

65. Within a business setting, individuals must consider the ethical implications of both personal and professional decision making. Manager, teacher, and student-body president are examples of \_\_\_\_\_ roles.

Answer: institutional

Difficulty: Easy

Learning Objective: 02-04

Topic: Ethical Decision Making in Managerial Roles

Bloom’s Taxonomy: Remember

AACSB: Analytic

Page: 63

Feedback: Within a business setting, individuals must consider the ethical implications of both personal and professional decision making. Some of our roles are social: friend, son or daughter, spouse, citizen, neighbor. Some are institutional: manager, teacher, student-body president.

## Essay Questions

66. Explain the importance of determining the facts when making a responsible ethical decision.

Answer: The first step in making decisions that are ethically responsible is to determine the facts of the situation. Making an honest effort to understand the situation, to distinguish facts from mere opinion, is essential. Perceptual differences in how individuals experience and understand situations can explain many ethical disagreements.

Knowing the facts and carefully reviewing the circumstances can go a long way in resolving disagreements at an early stage.

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Analytic

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67. Elaborate on the concept of perceptual differences in ethics.

Answer: Perceptual differences in how individuals experience and understand situations can explain many ethical disagreements. Knowing the facts and carefully reviewing the circumstances can go a long way towards resolving disagreements at an early stage.

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

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68. Explain the role of sciences in the study of ethics.

Answer: An ethical judgment made in light of a diligent determination of the facts is a more reasonable ethical judgment than one made without regard for the facts. A person who acts in a way that is based upon a careful consideration of the facts has acted in a more ethically responsible way than a person who acts without deliberation. The sciences, and perhaps especially the social sciences, can help us determine the facts surrounding our decisions. For a business example, consider what facts might be relevant for making a decision regarding child labor. Consider how the social sciences of anthropology and economics, for example, might help us understand the facts surrounding employing children in the workplace within a foreign country.

Difficulty: Hard

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Analytic

Page: 47-48

69. How does a business decision become an ethical one?

Answer: The first step in ensuring that a business decision becomes an ethical one is that we need to recognize that "business" or "economic" decisions and ethical decisions are not mutually exclusive. Just because a decision is made on economic grounds does not mean that it does not involve ethical considerations as well. Being sensitive to ethical issues is an important characteristic that needs to be cultivated in ethically responsible people. Beyond sensitivity, we also need to ask how our decisions will impact the well-being of the people involved.

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 48

70. What is normative myopia?

Answer: In business contexts, it can be easy to become so involved in the financial aspects of decisions that one loses sight of the ethical aspects. Some writers have called this inability to recognize ethical issues normative myopia, or shortsightedness about values.

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

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Page: 49

71. What are the consequences of not looking at various perspectives and the interests of other people involved while making a responsible ethical decision?

Answer: The third step involved in ethical decision-making involves one of its more vital elements. We are asked to identify and consider all of the people affected by a decision, the people often called stakeholders. "Stakeholders," in this general sense, include all of the groups and/or individuals affected by a decision, policy, or operation of a firm or individual. Considering issues from a variety of perspectives other than one's own, and other than what local conventions suggest, helps make one's decisions more reasonable and responsible. To the contrary, thinking and reasoning from a narrow and personal point of view virtually guarantees that we will not understand the situation fully.

Making decisions from a narrow and personal point of view likewise guarantees that we are likely to make a decision that does not give due consideration to other persons and perspectives.

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics; Analytic

Page: 51-52

72. What is the test for ethical legitimacy in philosophical ethics?

Answer: A long tradition in philosophical ethics argues that a key test of ethical legitimacy is whether or not a decision would be acceptable from the point of view of all parties involved.

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

AACSB: Ethics

Page: 52

73. What is moral imagination? How is it important?

Answer: Creativity in identifying options—also called “moral imagination”—is one element that distinguishes good people who make ethically responsible decisions from good people who do not.

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom’s Taxonomy: Remember

AACSB: Ethics

Page: 55

74. Explain the importance of moral imagination with an example.

Answer: Once we have examined the facts, identified the ethical issues involved, and identified the stakeholders, we need to consider the available alternatives. Creativity in identifying options—also called “moral imagination”—is one element that distinguishes good people who make ethically responsible decisions from good people who do not. It is important not only to consider the obvious options with regard to a particular dilemma, but also the much more subtle ones that might not be evident at first blush.

For example if an iPod gets lost, one person might decide to keep it because she judges that the chances of discovering the true owner are slim and that, if she doesn't keep it, the next person to discover it will make that decision. Another person might be able to think of some alternatives beyond those choices. For example, she could return early for the next class to see who is sitting at the desk, or she could find out who teaches the previous class and ask that teacher for help in identifying the owner. Moral imagination might be something as simple as checking in a lost and found department.

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom’s Taxonomy: Apply

AACSB: Ethics; Reflective Thinking

Page: 55

75. Outline the importance of “walking a mile in another’s shoes” and associate it with the fifth step of the ethical decision-making process.

Answer: The step of comparing and weighing the alternatives involves creating a mental spreadsheet that evaluates the impact of each alternative you have devised on each stakeholder you identified. The most helpful way to accomplish this is to try to place oneself in the other person’s position. Understanding a situation from another’s point of view, making an effort to “walk a mile in their shoes,” contributes significantly to responsible ethical decision-making.

Weighing the alternatives will involve predicting the likely, the foreseeable, and the possible consequences to all the relevant stakeholders. A critical element of this evaluation will be the consideration of ways to mitigate, minimize, or compensate for any possible harmful consequences or to increase and promote beneficial consequences.

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics; Analytic

Page: 55

76. Identify the means for comparing and weighing alternatives.

Answer: Consequences, justifications, matters of principles, rights or duties, and the consideration of the effects of a decision on one's own integrity and character are all means for comparing and weighing alternatives.

Difficulty: Easy

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Remember

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77. Outline the thought process of responsible persons comparing and weighing alternatives while considering the effects of a decision on their own integrity and character.

Answer: Comparing and weighing alternatives requires consideration of the effects of a decision on one's own integrity and character. Understanding one's own character and values should play a role in decision-making. A responsible person will ask: "What type of person would make this decision? What kind of habits would I be developing by deciding in one way rather than another? What type of corporate culture am I creating and encouraging? How would I, or my family, describe a person who decides in this way? Is this a decision that I am willing to defend in public?" Such questions truly go to the heart of ethical business leadership.

Difficulty: Medium

Learning Objective: 02-01

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

AACSB: Ethics

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78. Explain how the ethical decision-making process does not end with making a decision.

Answer: Once one has explored the other variables of the ethical decision-making process, it is time to make a decision. However, the process is not yet complete. To be accountable in our decision making, it is not sufficient to deliberate over this process, only to later wash one's hands off the affair.

Instead, we have the ability as humans to learn from our experiences. That ability creates a responsibility to then evaluate the implications of our decisions, to monitor and learn from the outcomes, and to modify our actions accordingly when faced with similar challenges in the future.

Difficulty: Medium

Learning Objective: 02-02

Topic: A Decision-Making Process for Ethics

Bloom's Taxonomy: Understand

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79. Discuss the various types of intellectual or cognitive stumbling blocks that one can face when trying to make a responsible ethical decision.

Answer: Some stumbling blocks to responsible action are cognitive or intellectual. The model of ethical decision-making suggests that a certain type of ignorance can account for bad ethical choices. Sometimes that ignorance can be almost willful and intentional.

Another cognitive barrier is that we sometimes only consider limited alternatives. When faced with a situation that suggests two clear alternative resolutions, we often consider only those two clear paths, missing the fact that other alternatives might be possible. Responsible decision-making would require that we discipline ourselves to explore additional methods of resolution.

We also generally feel most comfortable with simplified decision rules. Having a simple rule to follow can be reassuring to many decision makers. Using a simple decision rule might appear to relieve us of accountability for the decision, even if it may not be the best possible decision.

We also often select the alternative that satisfies minimum decision criteria, otherwise known as "satisficing." We select the option that suffices, the one that people can live with, even if it might not be the best. The very fact that a decision was reached by consensus can convince everyone involved that it must be the most reasonable decision.

Difficulty: Medium

Learning Objective: 02-03

Topic: When Ethical Decision Making Goes Wrong: Why Do "Good" People Engage in "Bad" Acts?

Bloom's Taxonomy: Understand

AACSB: Ethics

Page: 59-60

80. Give three examples each of social and institutional roles.

Answer: Some of our roles are social: friend, son or daughter, spouse, citizen, neighbor. Some are institutional: manager, teacher, student-body president.

Difficulty: Easy

Learning Objective: 02-04

Topic: Ethical Decision Making in Managerial Roles

Bloom's Taxonomy: Remember

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