

Business Decisions and Ethical Dilemmas

Presentation at the Business Creator Symposium

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Business Decisions and Ethical Dilemmas

Summary

Ethical dilemmas are problems where two or more options can have strong support, such as outsourcing and reducing staff versus cutting salaries and keeping local workers. Or, if a nurse could only save a few people during a tsunami, should it be those who can walk or the bedridden? R.M. Kidder summarized dealing with dilemmas:

<ul style="list-style-type: none"> • Truth vs loyalty • Individual vs community • Short-term vs long-term • Justice vs mercy 	<p>apply resolution rules</p>	<ul style="list-style-type: none"> • Rule-based thinking inflexible • Ends-based thinking utilitarianism • Care-based thinking Golden Rule
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In bioethics, **Principles for allocation of scarce medical interventions**, which has some of the same concepts, is used by the United Network for Organ Sharing:

<ul style="list-style-type: none"> a. treat people equally b. favor the worst off c. maximize total benefits d. reward social usefulness 	<ol style="list-style-type: none"> 1. United Network for Organ Sharing points systems 2. quality-adjusted life-years 3. disability-adjusted life-years 4. complete lives system recommended: <ul style="list-style-type: none"> prioritizes younger people incorporates prognosis save the most lives lottery instrumental value principles
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A more general framework is presented. It adds to the **Ethical Model(C)**, with **(B)triage** used in emergency situations, **(D)Scoring** as discussed in my Management of Technology classes, **(A)Time**, which affects the roles of Leadership and Management, and **(E)Social Value** as a last resort tie-breaker. Scoring separates selecting the importance of elements and the views of judges, and then combines them. In figure skating, an association sets the percentage for elements while judges give values for how well each is presented.

Decision Layers			Deciders: Tech, Social, Financial	Judges	Score
A. Time	short	long			
B. Triage	Usual	Inverse			
C. Ethical	dilemma	philosophy			
D. Triage: T,S,F	score		S+T+F=100%	1 - 10	$\Sigma (S,T,F) \times (1 - 10)$
E. Social Value			tie breaker	1 - 10	choice

The model does not recommend decisions, but shows where and to what extent personal philosophy and preferences are involved. The bioethics model is shown to fit into the more general model. Examples are given for some business ethical dilemmas.

Key words: allocation of scarce resources; bioethics; ethical dilemma; figure of merit; leadership and management; Management of Technology; scoring methods; triage

<http://wwwsoc.nii.ac.jp/bcs/images/gakkaishi1-03.pdf> **The Energetics of Business**

<http://www.globalethics.org/resources/Chapter-1-How-Good-People-Make-Tough-Choices-by-Rushworth-M-Kidder/28/> register and download

http://econopundit.com/ezekiel_emmauel.pdf **Principles for allocation of scarce medical interventions**

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Business Decisions and Ethical Dilemmas

Outline of Presentation

1. Introduction and Overview
2. Ethical Dilemmas and Procedures for Resolution
3. Leadership vs. Management
4. Management of Technology: Triage, Scoring
5. Creating the Framework
6. Example in Bioethics
7. Examples in Business

A Model for Business Decisions and Ethical Dilemmas incorporating MoT methods

Decision Layers			Deciders: Tech, Social, Financial	Judges	Score
A. Time	long	short			
B. Triage	Usual	Inverse			
C. Ethical	dilemma	philosophy			
D. Triage: T,S,F	score		S+T+F=100%	1 - 10	$\Sigma (S,T,F) \times (1 - 10)$
E. Social Value			tie breaker	1 - 10	choice

Ethical Dilemmas and Philosophies for Resolution

<ul style="list-style-type: none"> • Truth vs loyalty • Individual vs community • Short-term vs long-term • Justice vs mercy 	<p>apply resolution rules</p>	<ul style="list-style-type: none"> • Rule-based thinking • Ends-based thinking • Care-based thinking 	<p>inflexible utilitarianism Golden Rule</p>
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National Feb. 29, 2012 - 06:30AM JST (17)

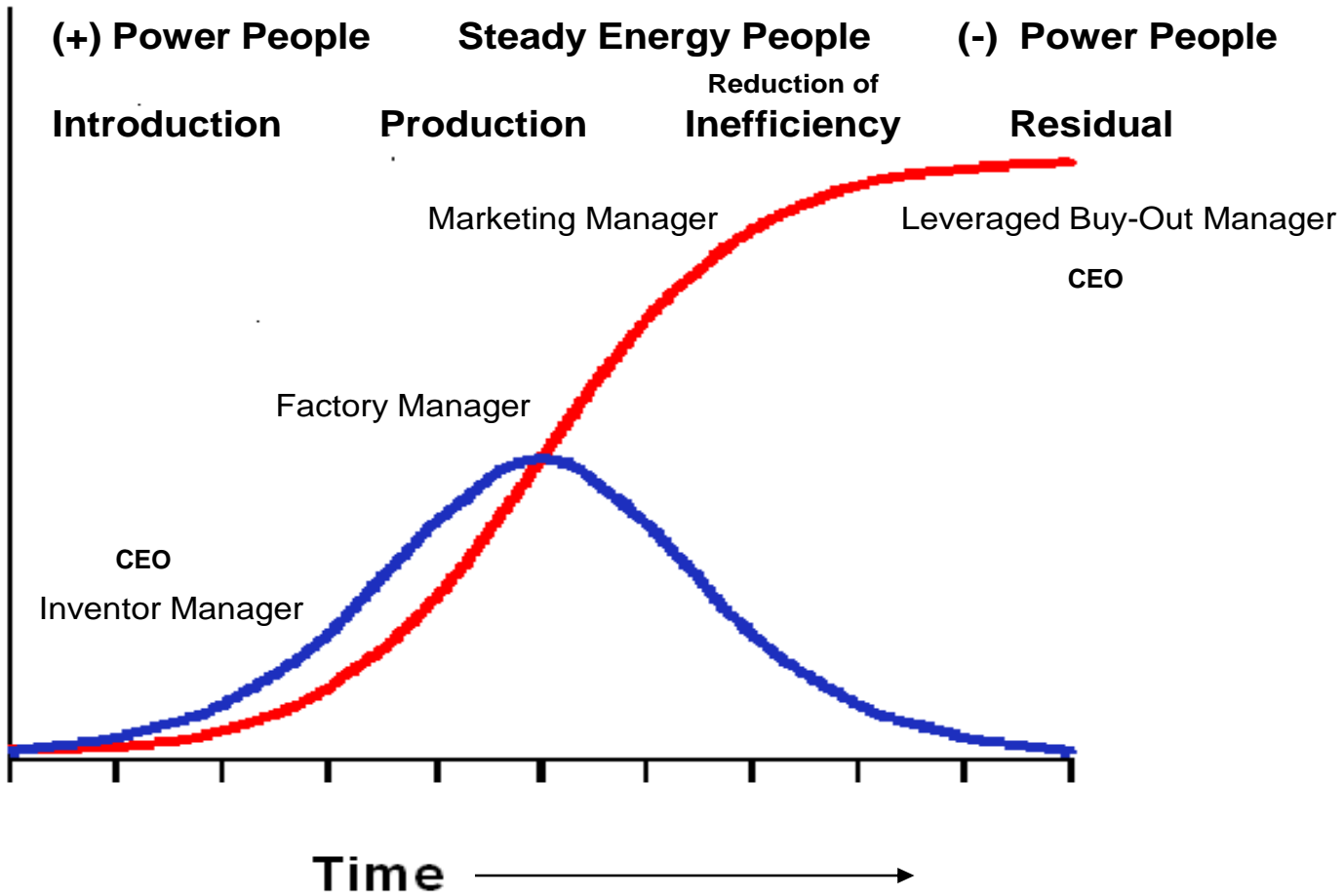
Gov't feared nuclear crisis would engulf Tokyo, report shows

A worst-case scenario sketched out by the Japanese government foresaw the **end of Tokyo** in a chain of nuclear explosions that would mean evacuating the city, an independent panel said Tuesday.

Those in **Kan's office** spent a lot of time trying to understand the minutiae of the situation, which meant they **tried to intervene in the day-to-day detail** in a way that was not helpful.

The report said the **delay in the use of seawater** as a coolant for overheating reactors was a **prime example** and came about because the prime minister's office had insisted on the use of freshwater.

Experts later said the **use of seawater**—which was available in plentiful supply **had probably averted a worse disaster.**



ALLOCATION OF RESOURCES						
Early stage						
	Marketer	Scientist	CFO	President	totals	Ven Cap
Social marketing	30	10	0	30	70	
Technical development	30	70	50	40	190	
Financial investment	40	20	50	30	140	
	100%	100%	100%	100%	400%	
Growth stage						
	Marketer	Scientist	CFO	President		Ven Cap
Social marketing						
Technical development						
Financial investment						
Late stage						
	Marketer	Scientist	CFO	President		Ven Cap
Social marketing						
Technical development						
Financial investment						
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Triage Tags: You don't want to be 0 Black

Ethical Code Provisions / Triage	Unforgivable	Negotiable	Forgivable	
Employment Practices				
Workplace Harassment				
Equal Opportunity				
Diversity				
Fair Treatment of Staff				
Work-Family Balance				
Discrimination				
Illegal Drugs and Alcohol				
Use of Organization Property				
Employee, Client and Vendor				
Maintaining Records and Information				
Privacy and Confidentiality				
Disclosure of Information				
Public Information/Communications				
Advertising and Marketing				
Development and Fundraising				
Clarity of Information				
Access to Information				
Transparency of Information				
Conflicts of Interest				
Gifts and Gratuities				
Political Activity				
Outside Employment				
Family Members				
Relationships with vendors				
Procurement				
Negotiating Contracts				
Environmental Issues				
Commitment to the Environment				
Employee Health and Safety				
Ethical Management Practices				
Accuracy of books and records, expenses				
Proper use of organizational assets				
Protecting proprietary information				
Employment Practices				
Proper Exercise of Authority				
Employee Volunteer Activities				
Conflicts of Interest				
Disclosure of Financial Interests				
Political Involvement				
Political Activities				

PURCHASING DECISION

Customer (percent) Relative Importance

Expert (industry) Valuation (10 best)

	Wealthy	Average	Poor
Social brand image	70%	20%	0%
Technical hi tech/reliable	30%	50%	20%
Financial price	0%	30%	80%
	100%	100%	100%

	Rolex	Citizen	China
	10	3	1
	6	8	4
	1	6	10

Wealthy

	Rolex	Citizen	China
	7	2.1	0.7
	1.8	2.4	1.2
	0	0	0
Score	8.8	4.5	1.9

Wealthy	Rolex	Citizen	China
Social	7.0	2.1	0.7
Technical	1.8	2.4	1.2
Financial	0.0	0.0	0.0
Total Score	8.8	4.5	1.9

Average

	Rolex	Citizen	China
	2	0.2	0.2
	3	4	2
	0.3	1.8	3
Score	5.3	6	5.2

Average	Rolex	Citizen	China
Social	2.0	0.6	0.2
Technical	3.0	4.0	2.0
Financial	0.3	1.8	3.0
Total Score	5.3	6.4	5.2

Poor

	Rolex	Citizen	China
	0	0	0
	1.2	1.6	0.8
	0.8	4.8	8
Score	2	6.4	8.8

Poor	Rolex	Citizen	China
Social	0.0	0.0	0.0
Technical	1.2	1.6	0.8
Financial	0.8	4.8	8.0
Total Score	2.0	6.4	8.8

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Example Score Sheet

		<i>Company A</i>		<i>Company B</i>	
Total cost of acquisition		£20,000		£21,000	
Criteria	Weight %	Score	Weighted Score	Score	Weighted Score
Performance and Technical merit	20	7	140	9	180
Competitiveness of the proposal	20	8	160	7	140
Delivery, installation and commissioning	10	10	100	9	90
Post contract and technical support	10	5	50	8	80
Training provision	10	8	80	10	100
Compliance with the conditions of contract	5	5	25	6	30
Environmental factors	5	5	25	10	50
Company standing	5	8	40	6	30
Innovation	5	4	20	4	20
Benefits offered	10	8	80	7	70
Total quality score			720		790
Decision			Reject		Accept

Business Decisions and Ethical Dilemma Framework

Tiers	Dilemma	Deciders: Tech, Social, Financial	Judges	Score
A. Time				
B. Triage				
1. Mild				
2. Severe				
3. Urgent				
C. Ethical				
1. Strict Kant				
2. Utilitarian				
3. Charity				
D.Triage: T,S,F				
1. Technical				
2. Social				
3. Financial				
E.Social Value				
1. strict rules				
2. scoring				
3. lottery				

Worksheet for comparing alternative resolutions of a dilemma

Tiers	Dilemma	Deciders: Tech, Social, Financial	Judges	Score
A. Time	long			
B. Triage				
1. Mild	low			
2. Severe	med			
3. Urgent	high			
C. Ethical				
1. Strict Kant	unforgivable			
2. Utilitarian	negotiable			
3. Charity	forgivable			
D. Triage: T,S,F				
1. Technical				
2. Social				
3. Financial				
E. Social Value				
1. strict rules				
2. scoring				
3. lottery				

Tiers	Dilemma	Deciders: Tech, Social, Financial	Judges	Score
A. Time				
B. Triage				
1. Mild				
2. Severe				
3. Urgent				
C. Ethical				
1. Strict Kant				
2. Utilitarian				
3. Charity				
D. Triage: T,S,F				
1. Technical				
2. Social				
3. Financial				
E. Social Value				
1. strict rules				
2. scoring				
3. lottery				

Tiers	Dilemma	Deciders: Tech, Social, Financial	Judges	Score
A. Time				
B. Triage				
1. Mild				
2. Severe				
3. Urgent				
C. Ethical				
1. Strict Kant				
2. Utilitarian				
3. Charity				
D. Triage: T,S,F				
1. Technical				
2. Social				
3. Financial				
E. Social Value				
1. strict rules				
2. scoring				
3. lottery				

Tiers	Dilemma	Deciders: Tech, Social, Financial	Judges	Score
A. Time				
B. Triage				
1. Mild				
2. Severe				
3. Urgent				
C. Ethical				
1. Strict Kant				
2. Utilitarian				
3. Charity				
D. Triage: T,S,F				
1. Technical				
2. Social				
3. Financial				
E. Social Value				
1. strict rules				
2. scoring				
3. lottery				

Principles for allocation of scarce medical interventions

Dilemma Options

	Advantages	Disadvantages	Examples of use	Recommendation
Treating people equally				
Lottery	Hard to corrupt; little information about recipients needed	Ignores other relevant principles	Military draft; schools; vaccination	Include
First-come, first-served	Protects existing doctor-patient relationships; little information about recipients needed	Favours wealthy, powerful, and well-connected; ignores other relevant principles	ICU beds; part of organ allocation	Exclude
Favouring the worst-off: prioritarianism				
Sickest first	Aids those who are suffering right now; appeals to "rule of rescue"; makes sense in temporary scarcity; proxy for being worst off overall	Surreptitious use of prognosis; ignores needs of those who will become sick in future; might falsely assume temporary scarcity; leads to people receiving interventions only after prognosis deteriorates; ignores other relevant principles	Emergency rooms; part of organ allocation	Exclude
Youngest first	Benefits those who have had least life; prudent planners have an interest in living to old age	Undesirable priority to infants over adolescents and young adults; ignores other relevant principles	New NVAC/ACIP pandemic flu vaccine proposal	Include
Maximising total benefits: utilitarianism				
Number of lives saved	Saves more lives, benefiting the greatest number; avoids need for comparative judgments about quality or other aspects of lives	Ignores other relevant principles	Past ACIP/NVAC pandemic flu vaccine policy; bioterrorism response policy; disaster triage	Include
Prognosis or life-years saved	Maximises life-years produced	Ignores other relevant principles, particularly distributive principles	Penicillin allocation; traditional military triage (prognosis) and disaster triage (life-years saved)	Include
Promoting and rewarding social usefulness				
Instrumental value	Helps promote other important values; future oriented	Vulnerable to abuse through choice of prioritised occupations or activities; can direct health resources away from health needs	Past and current NVAC/ACIP pandemic flu vaccine policy	Include but only in some public health emergencies
Reciprocity	Rewards those who implemented important values; past oriented	Vulnerable to abuse; can direct health resources away from health needs; intrusive assessment process	Some organ donation policies	Include only irreplaceable people who have suffered serious losses

Table 1: Simple principles and their core ethical values

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Principles for allocation of scarce medical interventions Resolution Systems

	Principles included	Advantages	Objections
UNOS points systems for organ allocation in the USA	First-come, first-served; sickest-first; prognosis	Can combine all possible principles; flexible	Includes least justifiable principles: first-come, first-served and sickest-first; low priority given to prognosis; vulnerable to bias and manipulation, such as being listed on multiple transplantation lists and misrepresentation of health status; allows multiple organ transplants, thus saving fewer lives
QALY allocation	Prognosis; excludes save the most lives	Maximises future benefits; considers quality of life; used in many existing, quantitatively sophisticated frameworks	Outcome measure disadvantages disabled people; incorrect conception of equality by focusing on equality of QALYs rather than equality of persons; does not incorporate many relevant principles
DALY allocation	Prognosis; instrumental value; excludes save the most lives	Maximises future benefits; includes instrumental value, saving people whose productivity is key to a flourishing society	Outcome measure disadvantages disabled people; age considered as modifying value of individual life-years, rather than from standpoint of distributive justice; definition of instrumental value is too focused on economic worth, and could justify bias towards heads of household and other "traditional" social positions; does not incorporate many relevant principles
Complete lives system	Youngest-first; prognosis; save the most lives; lottery; instrumental value, but only in public health emergency	Matches intuition that death of adolescents is worse than that of infants or elderly; everyone has an interest in living through all life stages; incorporates the largest number of relevant principles; resistant to corruption	Reduced chances for persons who have lived many years; life-years are not a relevant health care outcome; unable to deal with international differences in life expectancy; need lexical priority rather than balancing; complete lives system is not appropriate for general distribution of health care resources

UNOS=United Network for Organ Sharing. QALY=quality-adjusted life-years. DALY=disability-adjusted life-years.

Table 2: Four multiprinciple systems

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Eight simple allocation principles

- A. Treating people equally: lottery, first come, first-served**
 - B. Favoring the worst off, prioritizing: sickest first, youngest first**
 - C. Utilitarianism: number of lives saved, prognosis or life-years saved**
 - D. Promoting and rewarding social usefulness**
-
- 1. UNOS, United Network for Organ Sharing points systems: first-come, first-served, sickest first, prognosis**
 - 2. QALY, quality-adjusted life-years: prognosis, excludes saving the most lives**
 - 3. DALY, disability-adjusted life-years: prognosis, instrumental value, excludes saving the most lives**
 - 4. Complete lives system recommended by authors: youngest first, prognosis, save the most lives, lottery, instrumental value (but only in public health emergency)**

http://econopundit.com/ezekiel_emmanuel.pdf

Bioethics

Tiers	Hospital and experts	Physicians judges	Score	Bioethics recommendation	Comments
A. Time		physicians		short	
B. Triage		physicians		inverse	
1. Mild				high	
2. Severe				med	
3. Urgent				low	
C. Ethical	decider				
a. Strict Kant				lottery	
b. Utilitarian				#saved	
c. Charity				young first	
D. Triage: scoring	experts 100%	judges			
Technical		1 – 10 x	=	prognosis	
Social		1 – 10 x	=	#saved	
Financial		1 – 10 x	=		
E. Social Value	decider				
strict rules				public good	
scoring				value person	
lottery				all equal	

Tepco

Tiers	experts	judges	Score	recommendation	Comments
A. Time					
B. Triage					
1. Mild					
2. Severe					
3. Urgent					
C. Ethical					
a. Strict Kant					
b. Utilitarian					
c. Charity					
D. Triage: scoring	experts 100%	judges			
Technical		1 – 10 x	=		
Social		1 – 10 x	=		
Financial		1 – 10 x	=		
E. Social Value	decider				
strict rules					
scoring					
lottery					

Business Decisions and Ethical Dilemmas

March 20, 2012 at Rikkyo University

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1. Introduction and Overview

It is always a pleasure to come home to Rikkyo.

This presentation combines several concepts into, what I hope, is a new and useful approach to viewing difficult decisions. The core is based upon the concepts described in a book by R.M. Kidder, in his approach to dealing with Ethical Dilemmas.

A more general framework is presented. It is still a work in progress. It adds layers to the Kidder **Ethical Model(C)**, by including **(B)triage** used in emergency situations, **(D)Scoring**, as discussed in my Management of Technology classes, **(A)Time**, which affects the changing roles of Leadership and Management, and **(E)Social Value** as a last resort for a tie-breaker. It is summarized in **slide #4**. The model does not recommend decisions, but shows where and to what extent personal philosophy and preferences are involved. The bioethics model is shown to fit into the more general model.

Ethical dilemmas are problems where two or more options can have strong support, such as outsourcing and reducing staff versus cutting salaries and keeping local workers. Or, if a nurse could only save a few people during a tsunami, should it be those who can walk or the bedridden?

2.a Ethical Dilemmas (slide #4)

Kidder defined ethical dilemmas as “right vs. right” and are of four kinds: **1. Truth vs. Loyalty; 2. Individual vs. Community; 3. Short-Term vs. Long-Term; and 4. Justice vs. Mercy**. He proposes three ways of thinking to resolve the dilemmas: **1. Ends Based; 2. Rules Based; and 3. Care Based**. A model in bioethics, **Principles for allocation of scarce medical interventions**, has some of the same concepts, with added points, is used by the United Network for Organ Sharing. It may be easier to give examples, rather than to define the concepts.

1. Truth vs. Loyalty: As a manager, you have confidential knowledge that your company will close a department. A good friend at the company asks if the company is planning to close any departments. If you tell him the truth, he may have a chance to get new job ahead of other employees. You have loyalty to both the company and the friend. Do you tell the truth?

2. Individual vs. Community: A hospital has an organ for transplant. There are three possible recipients:

a) a housewife with two young children; b) a surgeon; and c) a wealthy donor to the hospital. If the surgeon lives, she can help many people. If the wealthy donor lives, he will support the hospital, which will help many people. But the housewife is a member of the community and has the same rights as the others. How do you choose?

3. Short-Term vs. Long-Term: A company is not doing as well as planned. Immediate shut down of several research projects will improve the company's bottom line and stock market price. On the other hand, the research is needed for future products and profits.

4. Justice vs. Mercy: Justice is guided by rules agreed to by society and is to be applied to all equally. Mercy is special consideration for an individual who has broken the accepted rules and laws. It is "right" to apply justice to all, but many also consider it "right" to consider special circumstances.

2.b Resolution Principles

Kidder draws from traditions of moral philosophy to describe different ways of thinking about ethical decision making. He describes three:

i. Rule-based: Often associated with Immanuel Kant, the idea is that we should "Follow only the principle that you want everyone else to follow." Your actions set the standard for everyone else. This is based on duty to follow the rules with no exception.

ii. Ends-based: Known as "utilitarianism," the principle is best known by the maxim "Do whatever produces the greatest good for the greatest number."

iii. Care Based: Putting love for others first. It is most associated with the Golden Rule: “Do to others as you would like them to do to you.” (Actually, “Do not do to others as you would not want them to do to you”.)

Are you a practical parent, very strict, or too sweet? Are you the same at work?

Checkpoints for Ethical Decision Making:

- Recognize there is a moral issue;
- Decide who is involved and who is responsible;
- Gather the relevant information;
- Test for right vs. right paradigms;
- Apply the resolution principles;
- Investigate the “trilemma” option for a “Win-Win” ;
- Make the decision

3. Leadership vs. Management

Simply put, Leadership deals with change and Management deals with complexity. Decision-making requires that it be clearly understood who the decision makers are at a particular **TIME**. **Slide #5** illustrates the problem. If there is enough time to discuss, clearly the persons higher up in an organization have the final say and have the final responsibility. With less time, those closer to the action become the leaders.

In the case of a new business or product, we often speak of the two curves: the “S-curve” which is the total of all sales, finances, etc. and which reaches a limit when there is no growth. The “bell-curve” shows the situation with time. When there are no sales etc. the curve is at zero. At each stage, the center of power or importance or leadership changes. In the early stage, there is the founder, inventor of the business and she is almighty. As the business grows the financial or sales manager has the greatest influence. (**slide #6**) A simple chart, as in (**slide #7**), provides a test to see if staff agree as to changing influence at any stage. Staff should be asked to rate (total of 100%), the influence in making decisions. Common understanding avoids misunderstanding when one person’s or group’s power has to be increased or decreased.

4.a Management of Technology: Triage (slide #8)

Triage was used in World War I by French doctors treating casualties at the battlefield. It is based on earlier work of Dominique Jean Larrey during the Napoleonic Wars. The most severely injured were sent off to a hospital, while the least injured had to wait. Until recently, triage was frequently a matter of the 'best guess', as opposed to any real or meaningful assessment.

There are conditions where the less wounded are treated first; such as when it is urgent to send the available soldiers back as soon as possible. Disaster situations, such as an earthquake or tsunami, may also force the unhappy ethical choice of leaving the most seriously injured behind because of limited time and staff. This was nicknamed Russian triage or reverse triage. We may think of it as the strategy of Jack Welch former CEO of GE, who had the reputation of cutting the bottom 10% of products and groups each year (Category I and 0).

In Japan, the triage system is mainly used by health professionals.

Category I (red): Used for viable victims with potentially life threatening conditions.

Category II: (yellow): Used for victims with non-life threatening injuries, but who urgently require treatment.

Category III (green): Used for victims with minor injuries that do not require ambulance transport.

Category 0: (black): Used for victims who are dead, or who are unlikely to survive.

Just as triage can be used to sort injured, we can consider applying the concepts to the resolution of dilemmas. A company can prepare a Code of Ethics, but must have an understanding of how it responds when a guideline is broken. **(Slide # 9)**

4.b Management of Technology: Scoring

The allocation of resources example in **(slide #7)** is now expanded to include both objective evaluations (experts and opinion makers) and personal valuations. **(Slide #10)** is a simple illustration of **Scoring**. Another example, for the acquisition of a property by two companies, one wealthier than the other, is **(slide #11)**.

5. Creating the Framework

Going back to (slide #4) we now expand the items to include the concepts from MoT. (slide #12) Depending upon the dilemma, time, and situations some steps may be left out. A **Worksheet for comparing alternative resolutions of a dilemma** is given in (slide #13).

6. Example in Bioethics (slides 14-16) Principles for allocation of scarce medical interventions *Govind Persad, Alan Wertheimer, Ezekiel J Emanuel* http://econopundit.com/ezekiel_emmanuel.pdf

A little background. The Ethical Dilemma problem of choosing who should live and who should die is a an awful problem that doctors and hospitals must often face. There is not enough to give to all who need help. e.g. There may be one organ for transplant and several patients. Having a framework for making these awful choices does not reduce the emotional stress. It does help to make decisions quickly by having a plan in place. And, by understanding of all parties, they know they are doing the best they can.

The authors draw extensively on the medical literature. The charts in (slides #14 and #15) summarize their views, and (slide #16) presents their **Eight simple allocation principles** in the left-hand column. We can see that the approach uses many of the elements described by Kidder in dealing with ethical dilemmas, but goes further to set recommendations in the real world. (Slide #17) shows where the options may fit into a larger framework. We may think of the simpler problem of judging in figure skating, to separate the group that sets criteria for performance and relative weights, and those who must judge the particular skater. It may be that particular people had been involved in setting criteria, but when they are the judges, they must abide by the values agreed upon for each component.

While the procedures are fairly straightforward and attempt to be as impartial as possible, **E. Social Value** is very troublesome. This is the tie-breaker. After the best efforts of all, it still cannot be decided who will receive the scarce resource and who will not. The decision comes down to which person is most valuable or important. We must then rely on the moral philosophy of the hospital (**C. Ethical**).

7.a Example in Business: Employment

After considering the problem in bioethics, it is quite straightforward to consider how to compare different applicants for a job. Just as for figure skating, we set a scoring sheet for each person. The performance components to be judged are listed with their relative importance (total of 100%) and the criteria for scoring. Then, candidates are tested or interviewed by “experts”, the personnel department and the staff in the department where they will work. If there are ties, then an additional scoring test is given which is not so neutral but depends on personality and family consideration, etc.

7.b Example in Business: Outsourcing

Outsourcing generally means contracting off-shore of services or manufacturing. There are many reasons for doing this, but mostly, to cut expenses. Foreign labor then replaces local labor. This affects local employees in many ways. We see that the decision includes many technical, financial, and social factors. How they are balanced includes consideration of the company’s way of doing business, its philosophy. Where the product or company is on the “bell curve” (**slide #6**) will influence who the decision-makers and judges will be. A “dying” product may not be supported by reducing costs by cutting salaries (equal treatment). A rule of cut the bottom ten percent may apply. The financial measures may include ROI, cash flow, and other factors, not only costs. Worksheets (**slide #13**) for alternative strategies can be used for the current situation and for forecasts.

7.c Example in Business: TEPCO

A more complex example is directed to developing guidelines about energy and TEPCO. The issues seem unmanageable, but must be dealt with, nevertheless. TEPCO and the problems at the nuclear sites are heartbreaking and stem from the long term problem of providing power to consumers and industry at a reasonable cost. There are many issues that must be dealt with at the same time for both short term and long term planning. We will be overwhelmed if we look at all of the issues at the same time, so we must make sure we are going in the right direction (accuracy) before we work on details (precision). The goal is stable, long term energy supply.

The T, S, F issues can be broadly listed as:

- a) Do no further harm, contain damage
- b) Continue to supply energy
- c) Help the people
- d) Repair or manage the damage
- e) Aim for financial stability
- f) Seek alternative energy techniques

We can analyze each area separately and then combine the results to make a plan. We first note that the list runs from very near term toward longer future goals. The factor of time helps us decide which philosophy is most “suitable” and that the “leader” may be different for each item. I maintain that we must get rid of the idea that top management is always the most influential, although it must be the presenter of the final choices.

Personal: My personal view is that the social issues have not been dealt with adequately. Perhaps there has to be consideration of building underground “Civil Defense” shelters in new building, capable of withstanding tsunamis and a radiation blast, at least for a few hours. Finally, if you would like to submit an analysis or a “dilemma” using the framework, I would be happy to make comments. sidfeinleib@rikkyo.ac.jp