**Ethical Decision Making Models and 6 Steps of Ethical Decision Making Process**

In many ways, ethics may feel like a soft subject, a conversation that can wait when compared to other more seemingly pressing issues (a process for operations, hiring the right workers, and meeting company goals). However, putting ethics on the backburner can spell trouble for any organization. Much like the process of businesses creating the [company mission, vision, and principles](https://status.net/articles/mission-vision-statement-template-company-values); the topic of ethics has to enter the conversation. Ethics is far more than someone doing the right thing; it is many times tied to legal procedures and policies that if breached can put an organization in the midst of trouble.

* *A****general definition of business ethics****is that it is a tool an organization uses to make sure that managers, employees, and senior leadership always act responsibly in the workplace with internal and external stakeholders.*
* *An****ethical decision-making model****is a framework that leaders use to bring these principles to the company and ensure they are followed.*
* [**Importance of Ethical Standards**](https://status.net/articles/ethical-decision-making-process-model-framework/#part1)Part 1
* [**Ethical Decision-Making Model Approach**](https://status.net/articles/ethical-decision-making-process-model-framework/#part2)Part 2
* [**Ethical Decision-Making Process**](https://status.net/articles/ethical-decision-making-process-model-framework/#part3)Part 3
* [**PLUS Ethical Decision-Making Model**](https://status.net/articles/ethical-decision-making-process-model-framework/#part4)Part 4
* [**Character-Based Decision-Making Model**](https://status.net/articles/ethical-decision-making-process-model-framework/#part5)Part 5

**Part 1**

The Importance of Ethical Standards

Leaders have to develop ethical standards that employees in their company will be required to adhere to. This can help move the conversation toward using a model to decide when someone is in violation of ethics.

**There are five sources of ethical standards:**

* **Utilitarian**

**This one is all about balance**, and this approach tries to produce the greatest good with the least amount of harm to those involved. It deals with consequences and practitioners who use this method are trying to find the best ethical approach for the most people.

* **Rights**

Leaders who decide to go with a “**rights approach**” are looking to protect and respect the rights and morals of anyone who could be impacted by ethical decisions. The intent is for people to be treated fairly and with dignity and not as a means to an end.

* **Fairness**

This one touches on the fact that **everyone should be treated equally** regardless of their position or influence in a company.

* **Common Good**

Leaders should strive to **protect the well-being of those around them**. This ethical standard puts a lot of emphasis on relationships, and how compassion for the fellow man should drive people to do good by others.

* **Virtue**

A virtue approach requires leaders to base **ethical standards on universal virtues** such as **honesty**, **courage**, **compassion**, **tolerance**, and many others. Principles that are chosen should cause people to strive to be their better selves and wonder if an inappropriate action will negatively impact their inherent desire to be kind to others.

While many of these standards were created by Greek Philosophers who lived long ago, business leaders are still using many of them to determine how they deal with ethical issues. **Many of these standards can lead to a cohesive ethical decision-making model.**

***What is the purpose of an ethical decision-making model?***

Ethical decision-making models are designed to help individuals and organizations make decisions in an ethical manner.

The purpose of an ethical decision-making model is to ensure that decisions are made in a manner that takes into account the ethical implications for all stakeholders involved.

Ethical decision-making models provide a framework for analyzing ethical dilemmas and serve as a guide for identifying potential solutions. By utilizing these models, businesses can ensure they are making decisions that align with their values while minimizing the risk of harming stakeholders. This can result in better decision-making and improved reputation.

***Why is it important to use an ethical decision making model?***

Making ethical decisions is an integral part of being a responsible leader and member of society. It is crucial to use an ethical decision making model to ensure that all stakeholders are taken into account and that decisions are made with the highest level of integrity. An ethical decision making model provides a framework for assessing the potential consequences of each choice, analyzing which option best aligns with personal values and organizational principles, and then acting on those conclusions.

**Part 2**

An Empirical Approach to an Ethical Decision-Making Model

In 2011, a researcher at the University of Calgary in Calgary, Canada completed a study for the Journal of Business Ethics.

The research centered around an idea of rational egoism as a basis for developing ethics in the workplace.

She had 16 CEOs formulate principles for ethics through the combination of reasoning and intuition while forming and applying moral principles to an everyday circumstance where a question of ethics could be involved.

**Through the process, the CEOs settled on a set of four principles:**

1. *self-interest*
2. *rationality*
3. *honesty*
4. *justice*

These were the general standards used by the CEOs in creating a decision about how they should deal with downsizing. While this is not a standard model, it does reveal the underlying ideas business leaders use to make ethical choices. These principles lead to standards that are used in ethical decision-making processes and moral frameworks.

***How would you attempt to resolve a situation using an ethical decision-making model?***

When facing a difficult situation, it can be beneficial to use an ethical decision-making model to help you come to the best possible solution. These models are based on the idea that you should consider the consequences of your decision, weigh the various options available, and consider the ethical implications of each choice. First, you should identify the problem or situation and clearly define what it is. Then, you must assess all of the possible outcomes of each choice and consider which one is most ethical. Once you have identified your preferred option, you should consult with others who may be affected by your decision to ensure that it aligns with their values and interests. You should evaluate the decision by considering how it affects yourself and others, as well as how it meets the expectations of your organization or institution.

**Part 3**

The Ethical Decision-Making Process

Before a model can be utilized, leaders need to work through a set of steps to be sure they are bringing a comprehensive lens to handling ethical disputes or problems.

1. **Take Time to Define the Problem**

**Some initial analysis has to happen for leaders to truly understand where they need to bring in ethical principles**. Leaders need to decide why an ethical decision needs to be made and the outcomes that are desired for the decision.

1. **Consult Resources and Seek Assistance**

**Leaders then need to work on developing a strategy using the resources and people around them**. Whether it be qualified co-workers, HR professionals, or policies and handbooks set long ago, leaders need to gain clarity from other sources when creating a strategy to tackle the issue.

1. **Think About the Lasting Effects**

**While identifying the problem and seeking viable resources to help is the way to go, any advice for how to handle an issue should be filtered through the lens of how it will affect others**. For instance, if there is an issue with employees getting to work on time, managers could install policies that change the time workers report, but if they are not careful, it may have a detrimental impact on other workers, and even clients.

1. **Consider Regulations in Other Industries**

**Regulations and standards that other companies have established can be a good starting point for developing ethical strategies**. Leaders should take a look at how they handle specific issues that have come their way. It might also be helpful to take a look at the mistakes the leader’s company and other organizations have made and learn from them. Everyone does not always get it right 100 percent of the time. Therefore, it is essential to see the good and bad side to become even more informed about a decision that should be made.

1. **Decide on a Decision**

**After consulting others and doing a bit of extra research, it is time for a final decision**. Since the choice will likely impact many it is a good idea to create a proposal of what the issue is and how leaders plan to work with the team to solve it. If the problem is more personal and involves harassment of some kind, it is more appropriate to only deal with those involved and establish a plan of action to handle that particular situation. However, for widespread ethical issues that have become a problem in the workplace, it is a good practice to bring decisions to the team at large.

1. **Implement and Evaluate**

**This is where talk meets action. It is easy for people to research and create solutions to a problem, but when dealing with morality and ethics, it can be challenging to put it into action finally**. No one benefits from a plan that is not put into practice, so at some point, leaders need to facilitate the implementation of the ethical decision. Also, the application is not enough. Evaluation allows everyone to see how the approach is working out, and if there were some unintended consequences leaders did not foresee. Is the problem finally fixed? Did things get better or worse? Analysis of this issue can help those involved figure out if the implementation was the appropriate response.

While each situation may call for specific steps to come before others, **this is a general process that leaders can use to approach ethical decision-making**. We have talked about the approach; now it is time to discuss the lens that leaders can use to make the final decision that leads to implementation.

**Part 4**

PLUS Ethical Decision-Making Model

**PLUS Ethical Decision-Making Model** is one of the most used and widely cited ethical models.

To create a clear and cohesive approach to implementing a solution to an ethical problem; the model is set in a way that it gives the leader “**ethical filters**” to make decisions.

It purposely leaves out anything related to making a profit so that leaders can focus on values instead of a potential impact on revenue.

**The letters in PLUS each stand for a filter that leaders can use for decision-making:**

* **P – Policies and Procedures:**
*Is the decision in line with the policies laid out by the company?*
* **L – Legal:**
*Will this violate any legal parameters or regulations?*
* **U – Universal:**
*How does this relate to the values and principles established for the organization to operate? Is it in tune with core values and the company culture?*
* **S – Self:**
*Does it meet my standards of fairness and justice? This particular lens fits well with the virtue approach that is a part of the five common standards mentioned above.*

These filters can even be applied to the process, so leaders have a clear ethical framework all along the way. Defining the problem automatically requires leaders to see if it is violating any of the PLUS ethical filters. It should also be used to assess the viability of any decisions that are being considered for implementation, and make a decision about whether the one that was chosen resolved the PLUS considerations questioned in the first step. **No model is perfect, but this is a standard way to consider four vital components that have a substantial ethical impact**.

**Part 5**

The Character-Based Decision-Making Model

While this one is not as widely cited as the PLUS Model, it is still worth mentioning. The **Character-Based Decision-Making Model** was [created](https://blink.ucsd.edu/finance/accountability/ethics/model.html) by the Josephson Institute of Ethics, and it has three main components leaders can use to make an ethical decision.

1. **All decisions must take into account the impact to all stakeholders** – This is very similar to the Utilitarian approach discussed earlier. This step seeks to do good for most, and hopefully avoid harming others.
2. **Ethics always takes priority over non-ethical values** – A decision should not be rationalized if it in any way violates ethical principles. In business, this can show up through deciding between increasing productivity or profit and keeping an employee’s best interest at heart.
3. **It is okay to violate another ethical principle if it advances a better ethical climate for others** – Leaders may find themselves in the unenviable position of having to prioritize ethical decisions. They may have to choose between competing ethical choices, and this model advises that leaders should always want the one that creates the most good for as many people as possible.

There are multiple components to consider when making an ethical decision. Regulations, policies and procedures, perception, public opinion, and even a leader’s morality play a part in how decisions that question business ethics should be handled. While no approach is perfect, a well-thought-out process and useful framework can make dealing with ethical situations easier.