



THE ELEVEN-STEP METHOD OF DECISION-MAKING

BACKGROUND

Developed as a 10 step method by Jon Pekel and Doug Wallace, the Ten Step Method of Decision-making has five features that make it practically useful in today's highly competitive, global context, rapidly changing environment. William Carruthers has added an eleventh step to cover managing/measuring the results or consequences of the decision:

1. Stakeholder Based
 - Based on the stakeholder theory of management – assumes that anyone or any entity that could be significantly affected has a RIGHT to have its best interests CONSIDERED
2. Ethical Theory Based
 - Based on (and incorporates as a check-and-balance on one another) the two most commonly used and beneficial ethical decision-making perspectives
 - Consequential perspective focuses on the cost/benefit affects of the decision
 - Absolute principle perspective focuses on aligning action with universal ethical principles
3. Systems Based
 - Probes for and deals with underlying drivers that cause and exacerbate the situation.
 - Doesn't just deal with "rotten apple in the barrel issues "
 - Forces decision makers to also deal with the organizational culture and system itself
4. Ethical Checklist
 - Includes a simple checklist that gives the decision makers a numerical sense of how effective they have been in using the ethical dimensions of the decision-making process.
5. Designed to be A highly practical management tool
 - As the situation warrants, some or all of the ten steps can be used
 - Recognizes that most serious, high-risk, high-impact issues stem from actions or inactions
 - Effective in dealing with highly complex situations, including cross-cultural international issues
 - Also useful for non-management staff in raising and resolving ethical issues

THE ELEVEN STEPS AT-A-GLANCE

[Includes hints for using each step]

[Before You Get Started: Do a Preliminary Ethical Assessment. Use 2 tests to determine to what degree there is a significant ethical dimension to this situation.

1. Value-conflicts. How different are the kinds of values held by different stakeholders?
2. Consequences. How significant are the possible consequences of this situation?

1. IDENTIFY THE KEY FACTS

- “Role play” key stakeholders to see what they see as facts.
- Watch out for assuming causative relationships among coincidental facts.

2. IDENTIFY & ANALYZE THE MAJOR STAKEHOLDERS

- Make sure to identify both direct and indirect stakeholders.
- Genuinely “walk in their shoes” to see what they value and want as a desired outcome.

3. IDENTIFY THE UNDERLYING DRIVING FORCES

- Think like a M.D. – look for what’s beneath the presenting symptoms.
- Use these driving forces to develop your Step 8 preventive component.



4. IDENTIFY/PRIORITIZE OPERATING VALUES & ETHICAL PRINCIPLES
 - Think of this step as determining the up-front “design parameters” for an effective solution.
 - Don’t rush this step – building consensus here will pay off later.
5. DECIDE WHO SHOULD BE INVOLVED IN MAKING THE DECISION
 - All stakeholders have a right to have their best interests considered.
 - If you can’t actually involve all stakeholders, have someone “role play” their point of view.
6. DETERMINE & EVALUATE ALL VIABLE ALTERNATIVES
 - Critical: all possible alternatives must pass the 3-part review-gate criteria.
 - Imagine possible consequences of each alternative cascading down on each stakeholder.
7. TEST PREFERRED ALTERNATIVES WITH A WORST-CASE SCENARIO
 - This step helps prevent a “rush to judgment” towards a wrong solution.
 - Emphasize this step when all stakeholder interests are not being adequately considered.
8. ADD A PREVENTIVE COMPONENT
 - “Problem-solving heroes” want to get on to the next problem and won’t take time for this step.
 - Only immediate-solution decisions usually come back to bite you.
9. DECIDE AND BUILD A SHORT & LONG-TERM ACTION-PLAN
 - The devil’s usually in the details – take the time needed to be detailed and comprehensive.
 - Make sure that the means used in your action-steps correlate with your desired ends.
10. USE DECISION-MAKING CHECKLIST
 - Become thoroughly familiar with this end-point checklist before you get started in Step 1.
 - Don’t allow group-think here -- make sure everyone involved fills this out individually.
11. DETERMINE WHAT AND HOW YOU WILL MEASURE THE SUCCESS OF YOUR DECISION
 - Restate your action plan from Step 9 as a set of measurable objectives (if this has not already been done in that step). Clarify Action Plans and Strategies statements where it is unclear how you would measure progress towards that result.
 - Establish a process to measure the results as you implement your decision.

BEFORE YOU GET STARTED: DO A PRELIMINARY ETHICAL ASSESSMENT

Background. An ethical issue is any significant issue that has a significant ethical dimension. There are two tests to decide whether an issue has a significant ethical dimension. If one or both apply, the situation requires use of an ethically based decision-making process like this Eleven Step Method. The two-fold test is whether the situation could possibly cause knowingly or unknowingly:

1. Violate a commonly accepted ethical principle (e.g. honesty, fairness, respect for persons) or stated business standard (e.g. no conflicts of interest or misuse of corporate funds.) This definition is rooted in the non-consequentialist, universal/absolute principle, or rule-oriented ethical perspective.
2. Infllict significant, undue, inappropriate harm on any stakeholder. A stakeholder is any individual, group, society or the natural environment that could be effected by the situation. This definition is rooted in the consequentialist, effects, or results-oriented ethical perspective.

TEST #1: DEGREE OF COMPETING VALUE-CONFLICTS -- How different are the kinds of ethical principles and operating values held by different stakeholders? Typically, the strongest value conflicts are between operating values (such as make a profit) and ethical principles (such as honesty). List below some



of the different kinds of operating values and ethical principles/business standards that are in conflict with one another in this situation:

1. [Operating value] _____ vs. [Principle/standard] _____
2. [Operating value] _____ vs. [Principle/standard] _____

Check the box that represents the degree of value-conflicts in this situation:

CHECK	DEGREE OF VALUE-CONFLICT RATING SCALE: In This Situation, The Kinds Of Values Held By Different Stakeholders Are . . .
<input type="checkbox"/>	5. Extremely different
<input type="checkbox"/>	4. Very different
<input type="checkbox"/>	3. Somewhat different
<input type="checkbox"/>	2. Not very different
<input type="checkbox"/>	1. No major value-conflict differences in this situation

TEST #2: EXTENT OF POSSIBLE HARMFUL CONSEQUENCES -- How significant are the possible harmful consequences of this situation? Consequences can be direct, 1st order consequences or indirect, 2nd and 3rd order consequences. List below the possible harmful consequences in this situation:

1. [Possible harmful consequence] _____
2. [Possible harmful consequence] _____
3. [Possible harmful consequence] _____
4. [Possible harmful consequence] _____

Check the number that represents the degree of consequences in this situation:

CHECK	EXTENT OF POSSIBLE HARMFUL CONSEQUENCES RATING SCALE: In This Situation, The Possible Harmful Consequences Are . . .
<input type="checkbox"/>	5. Extremely significant
<input type="checkbox"/>	4. Very significant
<input type="checkbox"/>	3. Somewhat significant
<input type="checkbox"/>	2. Not very significant
<input type="checkbox"/>	1. No significant possible harmful consequences in this situation

NOW, TABULATE YOUR RESULTS. Total the checked numbers from the above 2 tests and check the appropriate range on the scale below:

CHECK	TOTALS	OVERALL RATING SCALE: The Ethical Dimension Of This Situation Is . . .
<input type="checkbox"/>	10	Extremely significant – DEFINITELY use the Eleven Step Method of Decision-Making
<input type="checkbox"/>	8 - 9	Very significant – DEFINITELY use the Eleven Step Method of Decision-Making
<input type="checkbox"/>	6 - 7	Somewhat significant – SHOULD use the Eleven Step Method of Decision-Making
<input type="checkbox"/>	4 - 5	Not very significant – PROBABLY use the Eleven Step Method of Decision-Making
<input type="checkbox"/>	1 – 3	Not at all significant – No need to use the Eleven Step Method of Decision-Making

[Consider these answers when determining your decision and action-plan.]



NOTE: Using the Ethics Quick Score Test can provide a quick way of assessing and verifying the kind of ethical problem you are confronting, as well as determine if you need to use the full 11 Step Method.

For scores in the overall rating scale of 1-5 you should use the Quick Score Method to at least determine the grade of the offensive behavior (how ethically questionable is it) and the kind of ethical failure most likely indicated – Virtues, Consequences or Principles.





STEP ONE: IDENTIFY THE KEY FACTS

List below the most important known facts in the situation:

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.
12.

What else do you need to know to better understand the total situation?

1.
2.
3.

List below the key ethical issues:

1.
2.
3.

[Consider these answers when determining your decision and action-plan.]



STEP TWO: IDENTIFY & ANALYZE THE MAJOR STAKEHOLDERS

List below the major stakeholders (individuals, groups, institutions, etc.) that have a stake in the outcome of the situation. Using “moral imagination” put yourself in their place (walk in their shoes) and identify the key values they would bring to this situation and the desired outcomes they would want from this situation.

MAJOR STAKEHOLDERS	WHAT THEY VALUE	THEIR DESIRED OUTCOMES
1.		
2.		
3.		
4.		
5.		
6.		
7.		

Stakeholder Values Analysis

What stakeholder values are the most competing and most different from one another?

[Stakeholder value] _____ vs. [Stakeholder value] _____

[Stakeholder value] _____ vs. [Stakeholder value] _____

What are the most shared values among all or most of the stakeholders? [Win/win solutions can be crafted out of these shared values.]

[Shared value] _____

[Shared value] _____

[Consider these answers when determining your decision and action-plan.]



STEP THREE: IDENTIFY THE UNDERLYING DRIVING FORCES

List below the major underlying driving forces creating or exacerbating the situation. Then, describe how each driver is creating or exacerbating the situation. Finally, list what changes in these drivers could help prevent similar situations in the future. Make sure these ideas are included in the preventive component in Step Eight.

MAJOR DRIVER	HOW IS IT CREATING OR EXACERBATING THE SITUATION?	WHAT CHANGES COULD HELP PREVENT FUTURE SITUATIONS?
1.		
2.		
3.		
4.		
5.		
6.		
7.		

[Consider these answers when determining your decision and action-plan.]





STEP FOUR: IDENTIFY/PRIORITIZE OPERATING VALUES & ETHICAL PRINCIPLES

1. List below both the operating values and ethical principles relevant to the situation that should be upheld in your decision and action-plan.
 - An operating value is any value needed to run the organization successfully -- e.g. make a profit or stay within budget, don't lose key customers, maintain employee morale, or "get the product out the door on time, within cost, and without defects", etc.
 - An ethical principle is a widely recognized standard of human behavior – e.g. honesty, fairness, justice, or respect for the dignity of persons or the environment, etc.
 - Place an X in the appropriate column indicating whether what you listed is an operating value and/or an ethical principle. [Sometimes the item can be both an operating value and an ethical principle; for example, when respect for the environment is an institutionalized operating value.]
 - In the far right column, priority rank all operating values and ethical principles by placing a 1 next to the highest priority operating value or ethical principle that should be upheld in your decision and action-plan; a 2 next to the second highest priority operating value or ethical principle. Continue ranking.

LIST BELOW BOTH OPERATING VALUES & ETHICAL PRINCIPLES RELEVANT TO THIS SITUATION	Operating Value [Check]	Ethical Principle [Check]	PRIORITY RANKING [1 = highest]
a)			
b)			
c)			
d)			
e)			
f)			
g)			
h)			
i)			
j)			
k)			

Stakeholder Values/Principles Agreement Index

Check below the degree of agreement you think there is among the stakeholders with your combined priority ranking list of operating values and ethical principles.

Great agreement _____ Some agreement _____ Little agreement _____
 Virtually no agreement _____

How could you increase or maintain the agreement throughout the decision-making process?

[Consider these answers when determining your decision and action-plan.]



STEP FIVE: DECIDE WHO SHOULD BE INVOLVED IN THIS PROCESS

List below the individuals, groups, or institutions that should definitely have input into the decision and action-plan for this situation. Then, indicate how you will obtain this input. [Note, because of limited time or to protect confidentiality, in some cases you may need to have someone in a decision-making position “role play” input from this stakeholder rather than to receive it directly from that stakeholder.] Next, list who should develop the decision and action-plan. Finally, list who should actually make or approve the decision and action-plan.

WHO SHOULD HAVE INPUT TO THIS DECISION AND ACTION-PLAN?	HOW COULD THIS INPUT BE OBTAINED?
1.	
2.	
3.	
4.	
5.	
6.	

WHO SHOULD BE INVOLVED IN DEVELOPING THE RECOMMENDED DECISION & ACTION-PLAN?
1.
2.
3.
4.
5.
6.

WHO SHOULD ACTUALLY MAKE OR APPROVE THE FINAL DECISION & ACTION-PLAN?
1.
2.
3.

[Consider these answers when determining your decision and action-plan.]



STEP SIX: DETERMINE & EVALUATE ALL VIABLE ALTERNATIVES

1. Quickly brainstorm a list of possible alternative solutions to this situation.

Alternative 1	Alternative 2	Alternative 3	Alternative 4
Alternative 5	Alternative 6	Alternative 7	Alternative 8

2. Next, evaluate all alternatives using the three below listed review-gate criteria. Only those alternatives that meet all 3 criteria become viable alternatives.
3. Now, list the major stakeholders identified in Step 2 down the far left hand column. Then, fill in the most important possible consequences of each viable alternative on each stakeholder.
4. Finally, after having reviewed your list of consequences on each stakeholder, select your preferred viable alternative.

REVIEW-GATE CRITERIA FOR AN EFFECTIVE DECISION & ACTION-PLAN

List below only alternatives that meet all three of these criteria:

- One. Prevents or minimizes harm to the major stakeholders listed in Step 2
- Two. Upholds the combined prioritized list of operating values and ethical principles from Step 4
- Three. Is a good, workable solution to the situation that can actually be implemented.

	Viable Alternative #1	Viable Alternative #2	Viable Alternative #3	Viable Alternative #4
STAKEHOLDERS	POSSIBLE CONSEQUENCES OF EACH ALTERNATIVE ON EACH STAKEHOLDER			
1.				
2.				
3.				
4.				
5.				
6.				
7.				

The Preferred Alternative Is Viable Alternative #

[Consider these answers when determining your decision and action-plan.]



STEP SEVEN: TEST PREFERRED ALTERNATIVE WITH A WORST-CASE SCENARIO

1. Summarize your preferred viable alternative selected in Step 6 in the box provided.
2. Create in your mind and briefly describe below a worst-case scenario that assumes that if something can go wrong during the implementation of your preferred alternative, it probably will go wrong!
3. Once again, in the far left column copy the list of major stakeholders from Step 2.
4. Think through and list the consequences of your worst-case scenario on each of your stakeholders. Include other consequences that may not directly relate to a particular stakeholder.
5. Finally, assign a percent likelihood that this worst-case scenario could actually happen. Then, check the degree of concern this percentage gives you. If needed, revise your preferred viable alternative or select another viable alternative.

	Brief description of your preferred viable alternative:
	Brief description of your worst-case scenario:
STAKEHOLDERS	CONSEQUENCES OF WORST CASE SCENARIO ON KEY EACH STAKEHOLDER
1.	
2.	
3.	
4.	
5.	
6.	
7.	
OTHER CONSEQUENCES NOT DIRECTLY RELATED TO PARTICULAR STAKEHOLDERS	
1.	
2.	
3.	
4.	

Worst-Case Scenario Probability Assessment

What is the percent likelihood that this worst-case scenario could actually happen? _____ %

Check the degree of concern this percentage gives you about your preferred alternative:

No concern _____ Some concern _____ Substantial concern _____ Critical concern _____

[Consider these answers when determining your decision and action-plan.]



STEP EIGHT: ADD A PREVENTIVE COMPONENT

Now, take your preferred alternative (possibly revised based on your worst-case scenario analysis) and add some action-steps that would help prevent the situation from happening again. [Usually preferred alternatives only focus on solving the immediate problem at hand]. For ideas on this component, return to Step 3 where you listed the underlying driving forces affecting the situation.

ACTION-STEPS THAT COULD PREVENT THE SITUATION FROM HAPPENING AGAIN
1.
2.
3.
4.
5.
6.
7.

[Consider these answers when determining your decision and action-plan.]





STEP NINE: DECIDE AND BUILD A SHORT & LONG-TERM ACTION-PLAN

List below your decision and action-steps in two parts – short-term, immediate and longer-term, preventive.

SHORT-TERM, IMMEDIATE-SOLUTION DECISION & OVERALL STRATEGY
ACTION-STEPS TO IMPLEMENT THE SHORT-TERM, IMMEDIATE-SOLUTION DECISION & STRATEGY
1.
2.
3.
4.
5.
6.
LONGER-TERM, PREVENTIVE-SOLUTION DECISION & OVERALL STRATEGY
ACTION-STEPS TO IMPLEMENT THE LONGER-TERM, PREVENTIVE-SOLUTION DECISION & STRATEGY
1.
2.
3.
4.
5.
6.

Ethical Justification: List three reasons why you think your comprehensive decision and action-steps are ethically justified:

1. Virtue:
2. Utilitarian:
3. Deontological:

[Consider these answers when determining your decision and action-plan.]



STEP TEN: USE DECISION-MAKING CHECKLIST

Using the 0 through 6 scale, evaluate your immediate and preventive-solution decisions and action-steps against the following eight tests. Tab over and place an “X” in the most appropriate column. Then total all answers, check the appropriate Decision-Making Confidence Scale, and follow the suggested actions.

EFFECTIVE DECISION-MAKING TESTS	RATING SCALE						
	Not At All 0-----6 Totally Yes						
	0	1	2	3	4	5	6
1. Relevant Information Test. Have we obtained as much information as possible to make an informed decision and action-plan for this situation?							
2. Involvement Test. Have we involved as many as possible of those who have a right to have input to, or actual involvement in, making this decision and action-plan?							
3. Consequentialist Test. Have we attempted to accommodate for the consequences of this decision and action-plan on any who could be significantly affected by it?							
4. Ethical Principles Test. Does this decision and action-plan uphold the ethical principles that we think are relevant to this situation?							
5. Fairness Test. If we were any one of the stakeholders in this situation, would we perceive this decision and action-plan to be fair, given all of the circumstances?							
6. Universality Test. Would we want this decision and action-plan to become “universal law” so it would be applicable to all – including ourselves – in similar situations?							
7. Preventive Test. Does this decision and action-plan prevent or minimize similar situations from happening again?							
8. Light-Of-Day (or 60 Minutes TV Program) Test. Can our decision and action-plan – including how we made it – stand the test of broad-based public disclosure so everyone would know everything about our actions?							

Effective Decision-Making Confidence Scale

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

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



STEP ELEVEN: MEASURE RESULTS

Since you can't manage what you can't measure, you need to measure the results of your decision. This helps to ensure that implementing the decision proceeds on track. It also provides measures you could use in the future to avoid a similar situation (prevent an ethical issue from arising).

Restate the Short-term, Immediate-Solution Decision and Overall Strategy from Step 9 in terms of clear objectives statements the decision is intended to produce. Indicate how you will gather relevant information to measure the actual results achieved.

Key Objectives	Key Measures	Actual Results Achieved	Measures Achieved (%)
1.			
2.			
3.			
4.			
5.			
6.			
7.			

[Consider if you need to modify your decision and action-plan.]

