ALL THE IMPORTANT DECISION-MAKERS IN THE COMPANY ARE IN THIS ROOM.

NO LITTLE PEOPLE ARE ALLOWED BECAUSE WE'LL BE MAKING IMPORTANT STRATEGY DECISIONS.

FIRST, LET'S MAKE DECISIONS ABOUT PROJECT OPAL.

DOES ANYONE KNOW WHAT THE PROJECT IS OR WHAT WE NEED TO DECIDE?

MY EXECUTIVE INTUITION TELLS ME WE SHOULD CUT THE BUDGET BY 10%.

I THINK OPAL IS ONE OF YOUR PROJECTS. IT'S NAMED AFTER YOUR DAUGHTER.

WAIT... A NEW INTUITION IS COMING IN NOW... IT SAYS TO INCREASE THE BUDGET.

WHY ARE THOSE MEETINGS SECRET?

YOU DON'T WANT TO KNOW.
Logistics

Restrooms
Coffee/Water
Breaks
Lunch
Paperwork
The Rules

• You must participate
• **No** texting, e-mailing, phone calls, tweeting, facebooking, web browsing, solitaire, etc.
• You must apply what we learn
Course Outline

Session 1
Decisions, Decisions
Four Dilemmas
Resolution Principles
Break
Session 2
What is Wrong?
Attaining and Maintaining Ethical Fitness
Lunch
Core Values
Wrap Up Session
Nine Checkpoints for Decision Making
Session ONE

I USED TO BE INDECISIVE...
NOW I'M NOT SURE.
Hamilton–Jacobi–Bellman (HJB) equation

\[ V(x(0), 0) = \min_u \left\{ \int_0^T C[x(t), u(t)] \, dt + D[x(T)] \right\} \]
Decision Systems

- Pros and cons
- Prioritization
- Satisficing
- Expert
- Flipism
- Divination
- Political
Decision Types

- Command
- Delegated
- Avoided
- No-Brainers
- Collaborative
The Abilene Paradox
Outcomes

Decision Quality

Good

BAD

No Accident

You are so lucky!

You made it.........!

It’s been a bad day!
• Based on *How Good People Make Tough Choices* by Rushworth Kidder

• Additional Reading
  
  • *Moral Courage* by Kidder
  
  • *Corps Values* by Zell Miller
  
  • *Decision Traps* by Russo and Schoemaker
The Four Dilemmas

- Truth vs. Loyalty
- Individual vs. Community
- Short-term vs. Long-term
- Justice vs. Mercy
Truth vs. Loyalty

• Honesty and integrity vs. commitment and promise keeping
• Accuracy, completeness, relevant
• Why are people loyal?
• Is honesty always the best policy?
Individual vs. Community

- Foundation of US is individual
- Tyranny of the majority
- Freedom vs. liberty
- Suicide
Short-term vs. Long-term

• Concept of self-denial
• Requires some predictions
• Most common of the four
• Most difficult of the four
Justice vs. Mercy

• What is justice?
• What is mercy?
• Wrath vs. Pity
The Four Dilemmas

• Truth vs. Loyalty
• Individual vs. Community
• Short-term vs. Long-term
• Justice vs. Mercy
Groups

• Each group review
• What dilemma is it?
• 10 minutes to discuss
• Brief after the break
Three Resolution Principles

• Ends-based
• Rules-based
• Care-based
Ends-based Thinking

• Do what's best for greatest number
• Utilitarianism
• Focus is on institutions
• Requires predicting the future
Rules-based Thinking

• Follow highest sense of principle
• Kantian
• Establishes a universal standard
• Focus on community
• Not about outcomes, but about obligation
Care-based Thinking

• Golden Rule
• Reversibility
  • You become the object of action, not the agent of action
• Veil of Ignorance
Groups

- Each group take a situation
- 10 minutes to discuss
- What resolution principle seems to apply?
- Break
Recap

Four dilemmas
• Justice vs. Mercy
• Short-term vs. Long-term
• Individual vs. Community
• Truth vs. Loyalty

Resolution Principles
• Ends-Based
• Rules-Based
• Care-Based
Session TWO
What is Wrong?

• Violation of the law
• Departure from the truth
• Deviation from moral standards
Attaining and Maintaining Ethical Fitness

• Ethical Fitness is not:
  • Passive
  • Blind
  • Analytical
• Practice, practice, practice
• Ethical reflex
• Obedience to the unenforceable
Core Values

- May be:
  - Religious
  - Corporate
  - Intrinsic

- Must be considered in decision making
- May change over time
Nine Checkpoints

1. Recognize the moral issue
2. Determine the actor
3. Gather the relevant facts
4. Test for right vs. wrong (Is the decision really that hard?)
   a) Is it legal?
   b) Stench test
   c) Front page test
   d) Mom test
5. Test for right vs. right paradigms
6. Apply resolution principles
7. Investigate "Trilemma" options
8. Decide
9. Revisit and reflect
Group Problem
Some Final Thoughts
10 Decision Traps

1. Plunging in: Take time to think
2. Frame Blindness: Solving the wrong problem
3. Lack of Frame Control: Single definition or influence by others
4. Overconfidence: Too sure of assumptions and opinions
5. Shortsighted Shortcuts: Using "rules of thumb"
6. Shooting from the Hip: Abandoning your decision process
7. Group Failure: Assuming smart people make good choices
8. Fooling Yourself about Feedback: Rationalization
9. Not Keeping Track: Failing to keep records and analyze them
10. Failure to Audit Your Decision Process: No reflection on decisions

from Decision Traps: The Ten Barriers to Brilliant Decision-Making and How to Overcome Them by Russo and Schoemaker