Four Questions For Analyzing The Right- Versus-Right Dilemmas Of Managers

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ABSTRACT

Ethics dilemmas are different than moral temptations. The former involve right-versus-right problems. The latter are right-versus-wrong problems. Although both problems are found in business, ethics dilemmas can be defining moments in the lives of managers, where professional responsibilities collide with personal values. In this case study, students use four questions developed by Badaracco (1992) as a framework for analyzing and resolving real ethical dilemmas.

Keywords: moral dilemma, business ethics dilemma, right-versus-right dilemma

INTRODUCTION

A few years ago a young man faced an ethical dilemma where he had to make a choice between two responsibilities. One responsibility related to his job as Chairman of the Accounting Department at a small Midwestern university. The other responsibility related to his role as a father. He had made a commitment to attend an awards dinner that was being sponsored by a major employer of the accounting graduates. The employer had paid for his dinner and the dinners of some of the best accounting students. He had agreed to attend the dinner to represent the School and the Accountancy program, and to show support for the employer's interest in the students. Failure to attend the dinner would likely disappoint the employer who had spent considerable resources to arrange for the dinner, and could damage a relationship that had been built over many years. The employer had hired many of the program's graduates and wanted to continue to recruit more of its students. The department chairman did not want to appear ungrateful for the employer's support.

On the afternoon before the dinner the young man learned that his two sons were having their long-awaited Eagle Scout ceremony at the same time as the dinner. The scout master had worked hard to arrange for the ceremony. Guests were invited. The program was well-planned except for one oversight. The scout master had forgotten to let the young man know about the time and day. Of course, the young man wanted to attend the ceremony to celebrate the accomplishments of his sons. Receiving the Eagle awards was the culmination of many years of work. His wife and sons wanted him there, and would be disappointed if he did not attend. His family was free to attend the ceremony, but he had already promised to attend the dinner, and it was too late to arrange for another faculty member to attend the dinner in his place.

A problem of this kind is termed a "right-versus-right dilemma," where the alternatives have conflicting virtues. The young man had conflicting responsibilities. Fulfilling his promise to an important accounting employer was his responsibility as a Chairman of the Accounting Department, and he had promised to be there. Supporting his sons on such an important occasion was his responsibility as their father. No matter what he did, he could not avoid disappointing someone. In meeting one responsibility, he would fail to meet the other one.

RIGHT-VERSUS-RIGHT DILEMMAS

Dirty-Hands Problems

Badaracco (1992), an ethics professor at Harvard University, characterizes right-versus-right dilemmas as "dirty-hands problems," where managers often have to "get their hands dirty" by making tough choices between competing virtues such as honesty, fairness, respect, objectivity, and responsibility. The reference to dirty hands comes from *Dirty Hands*, a play by Jean-Paul Sartre. In the play, a young man accused an older leader of "selling-out" to the Nazi's. The older man replied:

How you cling to your purity, young man! How afraid you are to soil your hands! All right, stay pure! What good will it do? Why did you join us? Purity is an idea for a yogi or a monk. ... To do nothing, to remain motionless, arms at your sides, wearing kid gloves. Well I have dirty hands. Right up to the elbows. I've plunged them in filth and blood. But what do you hope? Do you think you can govern innocently? (Sartre 1989: 218).

A manager often encounters right-versus-right dilemmas where professional responsibilities conflict with personal values. For example, in difficult financial times a manager may need to dismiss an employee who has provided years of faithful service. Fiduciary duties to shareholders and community compete with loyalty to the faithful employee. In another example, a senior manager may have knowledge of plans to lay off an employee-friend who is planning the purchase of a new home. Warning the friend about the upcoming layoff would certainly help the friend avoid the difficulty of paying for a new home without a job, but it may also violate an agreement with senior management and shareholders to keep such plans confidential until properly implemented.

Right-versus-Wrong Problems

Right-versus-right problems are different than right-versus-wrong problems. The latter involve choices between clearly right and wrong alternatives. Deciding what to do with a wallet found on the street is not an ethical dilemma between two right alternatives. The right choice is to take steps to return the wallet to the owner. The wrong choice is to keep the wallet. Likewise, accidently damaging a parked car on the road where no one else witnessed the accident does not involve two right choices. Notifying the owner about the damage is the right choice. Driving away from the accident without any attempt to notify the owner is the wrong choice.

Many corporate accounting scandals involve right- versus-wrong decisions, where an accountant is often pressured by a manager to "cook the books." The temptation is often incorrectly perceived as a right-versus-right dilemma, where saving the company is offered as an excuse for the accounting fraud. For example, WorldCom CFO Scott Sullivan pressured his senior accountants to falsely classify $3.4 billion in operating expenses as assets (Pulliam 2003). The accountants knew the transaction was fraudulent, but caved to the pressure when Sullivan told them that the entire company was at risk if the accountants refused to make the journal entry.

Badaracco (1998) suggests that the choice between right alternatives defines a person's character. In the famous poem, "The Road Not Taken" Frost tells how he stood for a long while at the junction of two roads in the woods. He looked down each road, and contemplated going down each one. The roads were about the same. One appeared to be "just as fair" as the other, except one road was less traveled. He took the road less traveled, and it "made all the difference." Likewise, right-versus-right decisions are defining moments that shape a person's character.

THE FOUR-QUESTION FRAMEWORK

As a framework for assessing ways to resolve right-versus-right dilemmas, Badaracco (1992:75) recommends four questions:

1. Which course of action will do the most good and the least harm?
2. Which alternative best serves others' rights, including shareholders' rights?
3. What plan can I live with, which is consistent with basic values and commitments?
4. Which course of action is feasible in the world as it is?

The first question focuses on **consequences**. The moral decision is the one that results in the greatest good for the greatest number of people. This approach, called "utilitarianism," is often attributed to John Stuart Mills.

The second question focuses on **rights**. Badaracco (1992) suggests that this idea began in the seventeenth and eighteenth centuries. In America, this question can be attributed to Thomas Jefferson who wrote of each person's inalienable rights to life, liberty, and the pursuit of happiness. Other rights include respect, fairness, and safety. Discovering whose rights are involved in right-versus-right dilemmas can be difficult, but the list of affected parties can include more than the employees or shareholders of the company.

The third question focuses on the interplay between **conscience** and **values.** The question "What course of action can I live with" is a still small voice that each person develops through a life-time of choices and experiences. The question can be attributed to Aristotle and is found in many religions. A consideration of this question compels a long-term perspective on the decision maker, who should consider the long-term consequences of the decision on both one's character and the reputation of the company. As Aristotle put it, "we are what we repeatedly do."

The fourth question is unashamedly **pragmatic**, and can be attributed to Machiavelli. Given its connotation and source, some people may consider this question amoral. Machiavelli, the fifteenth-century Italian philosopher, is considered an advocate of cunning and deceitful tactics for personal gain. However, Machiavelli was a realist who was "preoccupied with what leaders must do to ensure their organizations survive. … Hence, morality must be practical. For people with real responsibility, meaning well is not good enough. A plan of action, however high-minded it may be, usually accomplishes little if it does not work" (Badaracco 1992: 76).

Badaracco cautions that these four questions must be used together because they balance and correct each other. Relying on any one question can promote managerial opportunism or self-interested judgments.

In short, the moral dilemmas of management must be resolved through balancing acts – through decisions and actions that meet, as best they can, conflicting claims of [those affected]. ... In some situations, there is no win-win solution. Life does not come with a guarantee that good intentions, hard work, imagination, and far-sightedness will turn all moral dilemmas into happy outcomes that satisfy the moral claims of all parties. The "best" way of resolving a dilemma may inevitably involve some violation of people's rights, it may bring harmful consequences, or it may severely test an executive's sense of integrity. Responsible, thoughtful, practical-minded people will often disagree on what is right in a particular situation. The four enduring questions posed above are not a formula for replacing judgment and are no guarantee against "dirty-hands." They are, at best, an aid to judgment and a way to keep one's hands clean as possible in the world as it is" (Badaracco 1992: 76,78).

REQUIREMENT

1. Select one "right-versus-right" dilemma from those listed on the web page of the Institute for Global Ethics at http://www.globalethics.org/dilemmas.php/.
2. Using the four-question framework for resolving right-versus-right dilemmas, write a two-page essay that describes the dilemma, your resolution, and why right-versus-right dilemmas are important in business. Be prepared to discuss your essay in class.

AUTHOR INFORMATION

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TEACHING NOTES

Four Questions for Analyzing the Right-Versus-Right Dilemmas of Managers

The objective of this case study is to develop moral awareness and judgment skills, the first two components in James Rest's Four Component Model of moral decision making (Rest 1986). Generally, moral awareness is recognizing the moral nature of a situation, and moral judgment is deciding what is morally right in the situation. Ethics research shows that analyzing ethics dilemmas can improve moral awareness and judgment (e.g., Butterfield, Trevino, and Weaver 2000, King and Mayhew 2002).

Our general description of ethics dilemmas provides a necessary background for students who may have not distinguished between right-versus-right and right-versus-wrong business ethics problems. The distinction is important because some of the most notorious accounting scandals in recent history have been right-versus-wrong problems. For example, Enron CEO Jeff Skilling put pressure on his accountants to cook the books. WorldCom CFO Scott Sullivan pressured his accountants to do likewise. In our experience, students who study the actors in these accounting scandals are often dismayed that many of the accountants lacked moral courage when they caved to managerial pressure to cook the books. In addition, these students often falsely conclude that business ethics is about decision problems with clear choices between right and wrong. In such problems, all an accountant needs is knowledge of accounting rules and the moral commitment to refuse to cook the books, and all a manager needs is an accountant with a spine. This case study is intended to correct this misconception by introducing students to right-versus-right dilemmas. As such, its first objective is to develop moral awareness.

This case study also helps students develop moral judgment by analyzing right-versus-right dilemmas using the four questions developed by Badaracco (1992). The dilemmas are real-life stories reported by the Institute for Global Ethics. The Institute posts these dilemmas on its web page free-of-charge. Resolutions of the dilemmas are not reported, making them excellent dilemmas for students to study and resolve. The Institute places the dilemmas into the following categories: business, education, children and family, medical, philanthropy, personal, and military. The four questions can be applied to any of the dilemmas, although some instructors may choose to limit the choice to business dilemmas.

This case study is largely a summary of two journal articles by Joseph Badaracco. In his 1992 article, Badaracco provides the four questions with an example. In his 1998 article, he provides additional examples of right-versus-right business dilemmas and describes how resolving right-versus right dilemmas can be defining moments for both the manager and the organization. Instructors may want to assign these articles to further develop these concepts.

This case study has been used with undergraduate and graduate students, as individual or group assignments. Because right-versus-right dilemmas have no one best answer, the case is well-suited as a group assignment, where groups are asked to discuss, debate, and attempt to arrive at a resolution to the dilemma. Badaracco's four questions provide a framework for analyzing the dilemma and communicating the resolution to others. The written assignment will help students clarify their reasoning before presenting their resolution to the class. The presentations can be spontaneous or formal. In our experience, the presentations provide additional opportunities for classroom discussion and learning.

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