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COVER It: A Comprehensive Framework
for Guiding Students through Ethical Dilemmas

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I. INTRODUCTION

In October, 2007, the Consumer Product Safety Commission issued notices of over 2 million items recalled for violations of lead paint standards (not including 1.6 million Cub Scout totem badges recalled). The recalls included 380,000 Galaxy Warriors by Henry Gordy International; 43,000 "Ugly Teeth" party favors by Amscan , Inc.; 142,000 Halloween Pails by Family Dollar Stores; 119,000 children's gardening tools by JoAnn Fabrics; 38,000 Go Diego Go Water Toys by Fisher Price; 110,000 children's jewelry toys by WeGlow International; 49,000 Winnie the Pooh Play Sets by J.C. Penney; 79,000 "Pirates of the Caribbean" squeeze flashlights by Eveready Battery and 35,000 Baby Einstein Color Blocks by Kids II.[1] Those recalls were in addition to recalls that made headlines in August, 2007, when Mattel, Inc. recalled thousands of Sarge models from the movie Cars as well as thousands of other toys for small magnet problems.[2]

As a project in a business ethics course, students could be told that they work for a company that has significant inventory on hand that is now unsellable in the United States and that their bosses have asked them to evaluate selling the unsellable toys in a foreign nation. A conscientious student should give to the boss a deliverable that makes a recommendation that is solidly rooted in research on the law, a financial analysis and the image and goals of the corporation. In analyzing the situation, students need to think critically and professionally about ethical issues. The Ethics Education Task Force of the AACSB International (2004) stated:

> Regardless of the terminology or particular features, the central purpose behind understanding and applying [ethics] frameworks lies in giving students the tools they need to identify and think through ethical issues. Above all, they learn what questions should be asked—of themselves and others—and what factors need to be considered in their decision-making. . . .

The COVER model of ethical decision making was developed precisely because many students lack the tools to prepare and present a thorough analysis of a situation like the one above. This paper first reviews some of the literature related to the teaching of ethics and the different models that have been published. It then presents a framework for making informed and theoretically sound decisions when facing an ethical dilemma. As will be shown, the model meets the major goals of teaching ethics: 1) it incorporates numerous philosophical approaches giving the student a multifaceted view of the situation and the alternatives; 2) it is application oriented and not merely a theoretical approach; and 3) it is easy to remember by students and easy to translate to functional business courses. Finally, the paper discusses the applicability of the model to a system where ethics is infused throughout the discipline-specific courses in a business curriculum.

II. THE MANY APPROACHES TO TEACHING ETHICS

The teaching of business ethics is a timely and important topic. Many textbooks include ethics problems in each chapter.[3] Articles in specialized ethics journals and in discipline-specific journals have addressed the need for ethics education.[4] While most agree that the teaching of ethics is important, there is no real consensus on the best method to do so. Textbooks and articles advocate different models with emphases on different philosophical backgrounds.

Over the past five years a number of authors have proposed alternative ethical theories and frameworks as superior to others in ethical decision making. One author has proposed that business students apply Sartrean Existentialism to make well-reasoned decisions.[5] Another theory proposed is the Triple Font Theory (TFT), which incorporates the moral end of the action, the subjective intention of the

agent and the circumstances and consequences of the action as the three determinants for making a decision.[6] While seemingly simple in its statement, this theory is not helpful to the student (or business person) who has little background in philosophical theories. The proponent of the TFT argues that it is easy to incorporate virtue ethics in to the model.[7] While this is admirable, it does not provide for a broad perspective in the ethical analysis.

Many authors differentiate between "ethics" and "business ethics." They advocate a stakeholder management approach that asks students to apply their own critical thinking skills in addition to various ethical theories. One author proposes that student education combine ethical principles, decision-making rules for each specific theory, case analyses and role play situations to increase confidence in detecting dilemmas and responsibly negotiate moral decisions. While it offers a broader perspective, this approach is reliant on the student's ability to integrate the theories and decide which one is best based on the other person's ethical decision-making style.[8]

Decision-making frameworks also abound in recent literature. McDevitt, Giapponi and Tromley (2007) proposed a model integrating process and content.[9] The first step of their model entails collection of content variables, including the decision maker's demographic data, the influences of peers and managers in the job context, the executive leadership and organization culture and the external environment (such as societal norms).[10] The model continues with a process of analyzing the risk of making an unethical decision.[11] Not only does the graphical version of the model contain 16 boxes linked by over 20 labeled arrows, but the authors acknowledge that there is a pre-condition that the decision maker recognized the ethical or unethical nature of the alternatives prior to beginning the process.[12] One of the more interesting models for teaching ethics uses a baseball diamond analogy. (Wishloff, 2005).[13] In this model, students identify facts at home plate, identify alternatives at first base, apply a number of ethical theories (which are incorporated in to the model through a series of questions attached to the article as an appendix) at second base, assess the decision-maker's views of the world at third base and then make the decision.[14] While easy to remember the bases and what they stand for, this model becomes more difficult when one reaches second base and must think about which theories to apply and how. The different types of frameworks are nearly endless in the literature.[15]

A number of business ethics and legal environment of business textbooks also advocate different theories or set forth frameworks for decision making. Professors Reid and Weber reviewed one of the most widely used Legal Environment of Business textbooks and noted that it covers ethics in only 17 pages.[16] A survey of a few business texts shows miniscule treatment of ethics. One financial accounting text has approximately one page dedicated to ethics (with occasional paragraphs set aside as real-life examples of ethical failures).[17] An organizational behavior textbook predictably has more coverage on ethics and decision-making, but they are not linked in any way.[18] Another organizational behavior text gives just one page to a discussion of ethics in the decision-making process.[19]

"Principles" texts in marketing and management tend to use corporate social responsibility as context for ethical decision making at the enterprise level.[20] Two recent marketing examples emphasize the importance of corporate and industry association codes of ethics, yet devote just three to five paragraphs to the individual's responsibility within the firm. In both texts, personal ethical philosophy teachings are limited to moral idealism and utilitarianism.[21] In one recent management text, four ethical theories, called "approaches," are briefly discussed. A "60 Minutes Test" is presented to students as a guideline for ethical decision making, and separately the idea of "Three Domains of Human Action" is introduced.[22] Unfortunately, there is no discussion of applying the concepts to a dilemma in the text or related to the assignment at the end of the chapter.[23]

Several texts do offer decision-making models for ethics. One popular business ethics text sets forth a 6-step process for resolving ethical questions.[24] The text shares a number of theories for evaluating ethics (some traditional philosophical approaches and some the theories or tests of business leaders) but does not encourage any particular theory.[25] A new business law textbook espouses the WPH Process of Ethical Decision Making.[26] The model incorporates three ethical theories in a step-by-step process for decision-making.[27]

Associate Professor Kenneth E. Goodpaster of Harvard University concurs with a step-by-step model as applicable to personal, organization and systemic decision making:\

> [S]teps offer some hope of enriching, not supplanting, mature judgment. They add value by drawing attention to salient features of our ethical understanding—features that might otherwise be lost in the economic complexity of management decision making. The manager who is "ethically attentive" in facing such complexity stands a better chance of coordinating the administrative and moral points of view.[28]

The problem with most of the models in the literature is that, while they may cover ethical theories sufficiently, they are difficult to remember and may not be readily available in the minds of decision-makers at the critical moments. A good model will be comprehensive and very accessible to the user beyond the classroom.

As a result of the models reviewed, the authors composed a new decision-making model, incorporating a step by step process, a number of ethical theories and an accessible approach for the user. Of interest to faculty members who are not trained in ethics (or who do not have the time in the syllabus to dedicate a significant portion of a course to ethics) is that this model will work with nearly any existing ethics problem in texts of any subject: short problems, scenarios, full cases, video situations and other ethics-based problems.

III. THE COVER MODEL

The COVER model is a step-by-step model to assist students in making well-informed and well-reasoned decisions when facing an ethical dilemma. The model incorporates a number of ethical theories, practical applications and critical thinking skills. The COVER model contains some of the same ideas that many decision-making models include: analysis of facts, identification of issues and stakeholders and creative identification of alternatives.   The COVER model differs from many other models in that it incorporates a number of different philosophical theories in an easy format to remember and apply. Through the model, students are led to evaluate situations under the numerous theories incorporated and to justify their decision to take action. While this may not lead to the perfect or optimal ethical result, it will lead to a result that must be justified in the eyes of the decision-maker.

The goals of the COVER model for students are many. By using the model, students will learn to identify potential ethical dilemmas, ask relevant factual questions and gather appropriate information to come to a reasoned conclusion, think creatively about alternatives when faced with an ethical dilemma, identify and prioritize the stakeholders who will be affected by the decision in an ethical dilemma, locate and evaluate the appropriate laws, codes of conduct and codes of ethics to inform their decision making, perform a cost/benefit analysis on the viable alternatives in a situation, and reflect on the impact of the business mission and culture, as well as their own personal values and beliefs, on decision making.

The framework is quite flexible and is designed to be used with the types of materials that already are given to students. Cases, videos, journal articles, current events or textbook examples can be used to facilitate learning.

Appendix A contains a handout that can be given to students in advance for review of the model prior to a class discussion. In addition, the handout can be given to the students with an assignment and class time can be dedicated to the analysis itself.

For a fuller and richer discussion, the dedication of another class period can be used after a related assignment is turned in. When the class participates in discussion of the assignment, it reveals the array of alternatives and impacts that might occur. It emphasizes the point that even a seemingly homogenous group can identify and analyze an ethical dilemma very differently from one another.

The model works well for individual analysis or for group work. If an assignment is individual, rich discussion among the class helps students to recognize other alternatives and conclusions that are different than their own (reflects the business environment). This is best done in smaller classes of 20 or fewer students. One caution with regard to group assignments is that the model is easy to segment among group members and students tend to turn in a disjointed analysis. Group work that occurs within the class time period can be very productive as it increases the divergence of perspectives with which a situation is analyzed.

A. The Structure of the Model

The COVER model of ethical-decision making is appealing to students on many levels. The title alone serves at least two purposes. First, some students will hear this title and think immediately of the recent scandals and the "cover-ups" that occurred in recent years, such as Enron, Worldcom, Tyco and The Baptist Foundation. This leads in to discussions of right versus wrong, analyses of why certain behavior is right or wrong and some initial reflection on assumptions that we make when facing an ethical situation. Second, the title reflects the idea that the model is not to be used to help cover up any unethical behavior, but rather is a tool to assist us in thinking broadly and divergently – "covering our bases" – as we evaluate a situation. The COVER model comes from the following mnemonic:

First **I A**sk **S**ome questions to **COVER** my bases.

F = Facts	C = Codes
I = Issues	O = Outcomes
A = Alternatives	V = Values
S = Stakeholders	E = Editorial
	R = Rules

The terms in the word COVER, incorporate the following ethical theories which are described in more detail in the Facilitation section below. Note that there is a combination of teleological, or outcome-based, and deontological, or duty-based, theories, in order to minimize any arbitrariness in students' moral reasoning.

B. Facilitation of the Model

Incorporating the COVER model into a course is meant to enhance what is already being taught. Using cases or videos, journal articles, current events or textbook examples that are part of the course can be re-purposed and viewed from the point of view of unethical behaviors. The role of the faculty is to facilitate a debate, ask pointed questions of the students and keep them on track. The discussion can be brought to a close not by urging all students to agree to a single solution; rather, that using a structured approach to an ethical dilemma will lead to decisions that can be justified with facts or at least some evidence other than merely opinion. A complete example of how this model can work with a short scenario can be found in Appendix C.

1. Some pitfalls of which to be aware

Facilitating such a model requires a basic understanding of some of the pitfalls of ethical analysis. The most common can be demonstrated by the example of the student who declares, "You're entitled to your opinion and I'm entitled to mine" or "There's no right or wrong answer" or "We'll have to agree to disagree." These, and their variations, refer to the philosophical perspective called *ethical relativism*. Relativism is difficult to address without creating a confrontational atmosphere in the classroom, and it can make the instructor quite uncomfortable (with good reason).

Another pitfall that might derail an otherwise intellectually stimulating classroom discussion is the notion of *psychological egoism*. The concept is that all humans take action or make decisions that are only in their self-interest. A related perspective is *ethical egoism*, which is a normative theory regarding how people <u>should</u> act. The main concept is that people act on short-term wants or needs, and need to be educated about what their true interests are.

The COVER model, by its construction and accompanying trigger questions (found attached as Appendix B) should minimize these three pitfalls. It prompts students to think about them by evaluating a situation through the lens of a number of ethical theories so that they are more likely to come to a decision based on facts and evidence, not merely hunches or personal opinions. It is important to approach the ethical problems from a perspective that the decision-maker is going to have to justify the decision to others in and out of the organization and that opinion is generally not an acceptable basis.

In addition to easing the risk of falling into ethical reasoning pitfalls, an appropriate approach with the COVER model can reduce the risk that a student will select his/her alternative very early in the process and then use the model to justify that decision. Some students may be tempted to select an alternative in the first moments and then fail to analyze any other alternative. It is important to treat the model as a decision-making model and an information gathering tool and not a tool to justify current opinions or beliefs.

While it is important for students to look at legitimate alternatives seriously and not select their recommendation too early, there may be times when a student can eliminate an alternative. For example, one alternative may clearly violate the law or a code of conduct for an industry. It should be permissible for students to note that, declare that alternative unsuitable and move forward analyzing the remaining alternatives. If a student only has two alternatives and discovers that one is illegal or unsuitable, it is perhaps a good time to brainstorm other alternatives. If no other alternatives can be discovered, the student should complete the model for the one remaining alternative so that future discussions with stakeholders are fully informed.

As is mentioned above, the purpose of this model is to encourage students to look beyond the superficial and seemingly "obvious" decision. The COVER model provides a decision-making process to make a well-reasoned ethical judgment about a situation. Studies indicate that ethical analysis is not traditionally taught as a part of management decision making; that is, it is not as explicit as other managerial decision processes (e.g., financial, legal). According to Harvard University professor Lynn Sharp Paine, "If [decision makers] use reason and analysis at all, they do so after the fact—to justify their instinctual response rather than to formulate or test their judgment."[29]

2. Introduction of the Model

There are several ways to introduce the model. Because it is an application-based decision-making tool that leads students through a series of pertinent questions, faculty and students do not need a deep academic understanding of philosophy to use it. The basic underlying goals of the model are to develop critical and systematic thinking skills. The model can be introduced easily by simply stating that the students will be going through an analysis of an ethical situation through various perspectives. Each component of the framework can then be introduced as the faculty member walks through an example.

a. DUE DILIGENCE

Prior to any philosophical analysis of a situation, it is important to conduct what we call "Due Diligence." This entails defining the scope of the question and conducting an environmental scan. The first four steps of the COVER model will walk students through this phase. They are:

1) Determine the facts
2) Identify the ethical issues
3) Consider alternatives
4) Identify the stakeholders

These four steps are not sequential and students may find themselves moving amongst them. For example, the student may make a list of known and unknown facts. As the student begins to look at alternatives, more questions of fact may arise.

Once the students have completed these tasks, they begin to analyze their alternatives. Please note that students may desire or need to return to the Due Diligence aspects throughout the philosophical analysis. The model is purposefully designed to encourage students to analyze the situation from a variety of perspectives, thus providing a well-informed and well-reasoned judgment. Because the analysis is based in philosophical theories, the following paragraphs will share some basic elements of those theories.

b. PHILOSOPHICAL ANALYSIS

The philosophical analysis of the ethical situation is comprised of numerous philosophical approaches to ethics. Each of these will be described below. Appendix A contains a handout that can be given to students in advance as a reminder of the philosophical theories.

1) Code (**C**)

In the Code analysis, students look to legalistic documents to inform their decision. Students should brainstorm areas of law to research further, as well as apply any areas of law with which they are familiar. Students also should review relevant codes of conduct or ethics for their industry or company. For example, accounting students facing an ethical dilemma related to accounting should look to statutes, the AICPA Code of Professional Conduct, Institute of Management Accountants Statement of Ethical Professional Practice, and any codes that you provide for the firm or company in question. Faculty members may have students simply brainstorm and list ideas of areas of law or codes to review or may have students actually do the research.

2) Outcomes (**O**)

The Outcomes analysis is based in a philosophy known as Utilitarianism. John Stuart Mill (1806-1873) stated that "actions are right in proportion to their tendency to promote happiness or absence of pain, and wrong insofar as they tend to produce pain or displeasure."[30] Yet another description of utilitarianism is that it is "committed to the maximization of the good and the minimization of harm and evil."[31] Cost-benefit analyses are rooted in utilitarian philosophy. Students should include a financial analysis as part of the cost-benefit analysis, even when they are not given financial information. Looking to the recent scandals in the news indicates that the probability of making an ethical decision is inversely related to the amount of money involved (Enron, for example). Anecdotal evidence from use of the model shows that students are likely to forget the financial analysis if they are not given financial figures in the problem.

Utilitarianism is plagued by several criticisms. First, it may be very hard to put value on consequences. For example, how does one compare the value of a pristine wildlife preserve with the financial benefit of oil drilling?[32] Another criticism is that a utilitarian analysis may result in a decision that is not seen as moral by many people. For example, a medication that may cure cancer in 60% of the population but would cause painfully slow and violent deaths in the other 40% would be given to the patient population because it results in the greater good for the greater number.

3) Values (**V**)

The Values analysis is rooted in many different philosophical theories which are discussed more fully below. Most of these theories are known as deontological, or duty-based, theories. In doing this analysis, students are asked to look at a number of different sources of values. Corporations commit to their values (at least on paper) with their mission statement, strategic plans, goals and similar documents. There may be a company motto related to the treatment of customers. In this section, students may be asked to analyze

conflicting values, such as a mission statement that would direct one result, but corporate culture that may lead to a separate result. For example, a corporate mission may support a market orientation (deliver customers the highest quality goods, but the underlying culture may be indicate a profit orientation (maximize profit and shareholder value). The questions that students are asked to evaluate in this section of the model relate to those stated commitments as well as more personal feelings about the situation.

The Divine Command theory of ethics, for example, is rooted in teaching of religion.[33] In essence, this theory states that we determine right and wrong based on the commands of a higher being. Students are asked to look at how their background and religious or philosophical teachings (if any) inform their beliefs about the ethical dilemma at hand. In teaching the philosophy, or implementing this section of the model, instructors need not make their own value judgments nor support any particular religious or philosophical belief. The model simply asks students to reflect on how these issues inform their decision. There are problems with the Divine Command theory in that it relies on an individual's beliefs, and if two individual's beliefs are in opposition, there is no way to moderate between the two.

Rights-based theories address fundamental rights that we believe should be supported. These rights can be found in company mission statements and are also found in our nation's documents. For example, the preamble to the Constitution states, "We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."[34] Our Declaration of Independence declares, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."[35] Philosophers John Locke and Robert Nozick declared that all humans have the right to "life, liberty and property."[36]

Finally, we put the concept of Corporate Social Responsibility (CSR) in the values analysis. CSR is the idea that corporations have a duty to go beyond obedience to the law, profit and minimal ethical standards to affirmatively reach out and promote philanthropy. It is in the Values analysis that the students look to the culture of the corporation and its approach to social responsibility. Many corporations have established CSR programs such as the Disney's "Voluntears," promoting social responsibility with a very Disney-esque name.[37]

4) Editorial

The Editorial analysis combines some aspects of the outcome analysis with some aspects of the values analysis. There may be a mention of the publicity effect in the outcome analysis – there probably should be for any major decision. This analysis asks the students to assess the most "newsworthy" aspect of each alternative and asks the students how they feel about having to go in front of the media to defend each alternative should it be selected. In our experience with the model, younger students need a bit of coaching on what is newsworthy. Quite often we look to the question, "what is the most negative aspect of each alternative in the eyes of the public?" Students must combine some of the values of the company with the negative publicity to determine which of the alternatives the company is willing to defend.

5) Rule

The Rule analysis is based in the "categorical imperative" philosophy of Immanuel Kant (1724 – 1804). In essence, the categorical imperative asks the decision-maker to evaluate each alternative as if that alternative were to become the rule for all others to follow.[38] This analysis encourages the students to give importance to all decisions. It is impossible under this analysis to rely on notions like, "it is just one small violation," "we are a small company and our pollution does not really make a difference," and other such terms. The analysis asks students to view each alternative as if everyone in a similar situation were to choose that alternative and then ask if the student believes the world is a better or a worse place with the existence of that "rule." There are individual value systems and corporate cultural factors that influence rules such as this, but the point of the exercise is to get students to imagine the world under such

a rule and then rely on their deontological beliefs to pass judgment. Students of philosophy will know that Kant's theories are far more expansive than this one concept or idea, but for the model, this one idea brings an important perspective to the students.

c. CONCLUSION

To complete the model and bring the decision-making process back to the initial question, it is important for students to make a preliminary conclusion. Students often find that different sections of the philosophical analysis point to different alternatives as the appropriate choice. The instructor can encourage the students to select a preliminary alternative and explain that part of their task is to apply professional judgment to the situation. In the conclusion, it is important to point out which alternative is selected and which analyses support that conclusion. It is also helpful to have students share which analysis was the most persuasive in their eyes. They may be required to justify their initial decision or recommendation to the information receiver.

The conclusion is typically listed as preliminary because quite often students finish the exercise wanting more information. For example, if a short scenario is given, the students may feel that they would need more information on a company's mission statement or culture. In many courses, the students may be able to identify areas of law that should be reviewed and would want to wait to commit to an alternative until that research is complete.

IV. CONCLUSION

The COVER model is an easy to use, easy to teach and comprehensive model that will allow students to make well-rounded ethical decisions. The model is intended to assist students in looking at problems through multiple lenses and to deliver a recommendation that is well-grounded in philosophical theory as well as practical constraints.

In class, we will be discussing a number of scenarios containing ethical implications. We will be using the COVER model for analyzing the situations from the ethical perspective. Take a few minutes to review the basic principles of some of the major philosophical theories of ethics prior to our discussions.

Remember that an ethical analysis almost always will include an analysis of the legality of each alternative you are reviewing. Please keep in mind the sources of law, such as constitutions, statutes, administrative agency regulations and rulings and court cases. In addition, review [insert name of the relevant Code of Ethics or Professional Responsibility for your subject area].

UTILITARIANISM
John Stuart Mill (1806-1873) stated that "actions are right in proportion to their tendency to promote happiness or absence of pain, and wrong insofar as they tend to produce pain or displeasure." Another description of utilitarianism is that it is "committed to the maximization of the good and the minimization of harm and evil." A utilitarian analysis consists basically of a cost-benefit analysis for each alternative. Do not forget to include a financial analysis when performing a cost-benefit analysis. A utilitarian analysis will, in essence, lead you to choose the alternative that creates the "greatest good for the greatest number" or the "least overall harm."

DEONTOLOGICAL ETHICS
Deontological ethics are also known as duty-based ethics.   The Divine Command theory of ethics, for example, is rooted in teaching of religion. In essence, this theory states that we determine right and wrong based on the commands of our higher being. Rights-based theories address fundamental rights that we believe should be supported. Corporations address their fundamental rights with their mission statement, strategic plans, goals and similar documents. Corporate culture may contradict or supplement the rights addressed in those formal documents so pay attention to that as well. Corporate Social Responsibility is the idea that corporations have a duty to go beyond obedience to the law, profit and minimal ethical standards to affirmatively reach out and promote philanthropy. Many corporations, such as Disney, have established corporate social responsibility programs – the Voluntears.

Immanuel Kant's (1724-1804) "categorical imperative," at its basest level, asks a decision-maker to envision alternate worlds where choosing each alternative is the rule followed by all similarly situated persons or entities. Then the decision-maker must evaluate each alternative world to determine which world the decision-maker feels is the "best" world.

As you begin to work through the model with students, the following questions will help you prompt students to work through the model.

1. Determine the Facts
   a. What do you know?
   b. Who is under pressure to make the decision and why is there pressure?
   c. What don't you know? This may be more important.
   d. What assumptions are you making? It is important to be objective and avoid inserting opinion or personal preconceptions (these usually start with phrases like, "I think" or "In my opinion.").

2. Identify the ethical Issues
   a. What are the potential ethical issues? Note that there may be multiple ethical issues in each scenario.
   b. Does anything about the scenario make you uncomfortable? Use common sense and give situation the "sniff test"—something about this doesn't smell right.
   c. How can you phrase the situation to identify the ethical issue? One good way to determine if you have an ethical issue is to begin with the phrase "Is it ethical to . . .."

3. Consider Alternative courses of action
   a. What are the alternatives you have?
   b. Is this a simple yes/no situation or are there options "outside the box?"
   c. Do you have any financial information to consider? Crunch some numbers, where appropriate.

4. Identify the Stakeholders
   a. Who are all the people, groups of people, or entities that may be affected by the decision? Include those that may not be directly affiliated with the company trying to make a decision.
   b. How do those stakeholders rank in severity of impact? Some stakeholders will be greatly impacted by a decision while others may be marginally impacted.
   c. How do those stakeholders rank in importance? Not all stakeholders are equal in all things, some can be impacted more than others.

5. Approaches to Stakeholder effects and analysis
   a. Code
      i. Does the law say anything about this issue?
      ii. What areas of law do I want to research?
      iii. Is there a code of conduct for my company or profession? This may also be referred to as a code of professional responsibility or code of ethics. If so, how does each alternative comply with the code of conduct?
   b. Outcomes
      i. Who benefits from each alternative and how?
      ii. Who is harmed by each alternative and how?
      iii. What alternative creates the most overall good?
      iv. What alternative creates the least overall harm?

c. Values
   i. What is my company's mission statement and how does each alternative support or advance that mission?
   ii. What rights do I value (i.e. maximum profit, freedom, speech, etc.)? How are those rights affected by each alternative?
   iii. Which alternative best protects the rights of the stakeholders that are most important?
   iv. Do any of the alternatives violate rights that you or your company feel should not be violated?
   v. How does each alternative promote positive traits in the people affected?
   vi. For each alternative, would a "good" person or a "bad" person make this decision?
d. Editorial
   i. If a newspaper were to write an editorial about you, what would that newspaper article focus on with regard to each alternative you might choose? What aspects of each alternative would generate the most news attention?
   ii. How do you feel about each potential front page article and how would people close to you view you for making each alternative?
   iii. If you were to read this article or editorial in the paper, would your initial reaction be that the person selecting each alternative was a "good" person or a "bad" person?
   iv. If you are responsible for defending your decision to the media, how defensible do you feel each alternative is? In other words, how do you feel about having to defend each alternative in front of the media?
e. Rule
   i. How would you feel about each alternative if others were to make the same decision? Is the world a better place or a worse place?
   ii. How would you feel if each alternative were to become the industry standard or the law? Is the world a better place or a worse place?
   iii. Are there things about the alternatives that would be considered unfair or wrong to certain categories of people?

APPENDIX C: Example of Model with Short Case Study

In the ACC 405, Advanced Business Law course, the following scenario was given to students verbally:

> Under the Clean Air Act of 1990, private businesses and governmental agencies that succeed in keeping their emissions below the permissible limits dictated by the EPA can earn "pollution credits." These can be sold to others who can't stay within limits or can be retired reducing future pollution. You are a state legislator and your state has accumulated a tremendous number of pollution credits. There is talk of using them as lures for new industry – if someone locates in your state, you will give them some of the pollution credits so that they may exceed limits.[39]

With this very short scenario, students can analyze the situation using the model. The faculty member leads the students through the due diligence.

> FACTS: In a short scenario, it is easy to give the students just a few facts and then have them declare assumptions about other facts.

> ISSUES: The issue in this situation could be: Is it ethical to use pollution credits to lure businesses to our state, in essence allowing them to come in and pollute more than the federal government would allow them to pollute?

> ALTERNATIVES: Offer credits to businesses to relocate. Retire the pollution credits reducing the amount of pollution in our state. Sell the pollution credits to businesses in other states and then use the cash to allow for a tax break for businesses to come in to our state.

> STAKEHOLDERS: Government (revenue). Citizens of the state (health and politics). Businesses considering moving in to our state. . .

> CODE: Clean Air Act analysis – it is legal to do any of the above alternatives. State law?

> OUTCOME:

	Give pollution credits	Retire pollution credits	Sell credits out of state
Pros	May recruit more businesses More revenue to state in taxes after businesses established If continue to accumulate, can recruit new businesses or can allocate to businesses already here	Less pollution in the world May be considered "socially responsible" thing to do – good press	Money Good PR for our state Able to recruit businesses using the money from the sale
Cons	May have health implications to citizens May not recruit the businesses we want May be a one-time benefit – if we don't accumulate more credits, then the businesses will have to buy them elsewhere	No monetary gain Have to come up with alternate way to recruit businesses	Possible political problems with other states Must continue to sell out of state as accumulate credits

> VALUES: Look to personal values. Look at declarations of the government, the constitution, etc. for indicators of values.

> EDITORIAL: Look at PR analysis from cost/benefit. If we give the credits to local businesses or incoming businesses, we risk negative publicity of increasing pollution. Of course, we are also potentially improving the economy. Is this a defensible position? If we retire the credits, there is

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no real risk of negative publicity unless the papers write that we hurt our economy or failed in our duties to maximize state wealth and improve the economy. Is that a defensible position? If we sell out of state, we risk little from our local papers, but may make more national news for our efforts to reallocate pollution to other states. Is this a defensible position? Which position is the most defensible?

RULE: If every government in a similar situation gave its pollution credits to recruited businesses, the world would look just as Congress and the EPA envisioned when they allocated the pollution credits, with the exception that the economy would be better. How do we feel about that? If every government in a similar situation retired their credits, then the world would have potentially significantly lower levels of pollution. How do we feel about that? If every government sold their excess pollution credits to businesses in other states, there is a risk that some states would have tremendous levels of pollution. There also is a risk that no state's environmental position would improve, but money may flow differently as businesses pay other states for the credits. How do we feel about that world?

CONCLUSION: The students' conclusions are based in how in depth the analysis was, what information they feel is crucial that may be missing and which of the above is the most persuasive to them. Articulation of their reasons for their conclusion is the important factor here.

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END NOTES (in Harvard Blue Book format)

[1] U.S. Consumer Product Safety Commission, Recalls and Product Safety News, *available at* http://www.cpsc.gov/cpscpub/prerel/prereloct07.html (last visited Feb. 12, 2009).

[2] Id.; See also Nicholas Casey and Nicholas Zamiska, *Mattel Does Damage Control After New Recall,* WALL ST. J., Aug. 15, 2007, *available at* http://online.wsj.com/article/SB118709567221897168.html?mod=googlenews_wsj (last visited Feb. 12, 2009).

[3] *See, e.g.,* JAMES E. SMITH, WILLIAM A. RAABE & DAVID M. MALONEY, TAXATION OF BUSINESS ENTITIES, (2008 ed., 2008); NANCY KUBASEK, ET AL., DYNAMIC BUSINESS LAW (2009); MARK W. JOHNSTON & GREG W. MARSHALL, RELATIONSHIP SELLING, (2nd ed., 2008); ROBERT KREITNER & ANGELO KINICKI, ORGANIZATIONAL BEHAVIOR (6th ed.,2004).

[4] *See, e.g.,* William J. Wilhelm, *Integrating Instruction in Ethical Reasoning into Undergraduate Business Courses*, 5 J. of Bus. Ethics Educ., 1 (2008), *available at* http://misnt.indstate.edu/wilhelm/Ethics/PUBLISHED-JBEE.pdf (last visited Feb. 12, 2009); Mark C. Baetz & David J. Sharp**,** *Integrating Ethics Content into the Core Business Curriculum: Do Core Teaching materials Do the Job?,* 51 J. of Bus. Ethics, 53-62 (2005); John Hooker, *The Case Against Business Ethics Education: A Study in Bad Arguments*, 1 J. of Bus. Ethics Educ., 75-88 (2004); Aviv Shoham, Ayalla Ruvio & Moshe Davidow, *(Un)ethical Consumer Behavior: Robin Hoods or Plain Hoods?*, 25 J. of Consumer Mktg., 200-10 (2008).

[5] Andrew West, *Sartrean Existentialism and Ethical Decision-making in Business*, 81 Jour. of Bus. Ethics, 15 (2008).   While an interesting idea, the model proposed ultimately relies on a decision based in awareness of freedoms, acceptance of responsibility and hierarchy of goals.   It is the opinion of this author that the model does not give any practical guidance to help students think through problems.

[6] Surenda Arjoon, *Ethical Decision-Making: A Case for the Triple Font Theory*, 71 J. of Bus. Ethics, 395 (2006).

[7] *Id*. at 402.

[8] JOSEPH W. WEISS, BUSINESS ETHICS: A STAKEHOLDER AND ISSUES MANAGEMENT APPROACH (4th ed., 2006). Chapter 3 describes the theories, lists questions and exercises for each and advises the student to evaluate every dilemma by filtering it through each theory.

[9] Roaslie McDevitt, Catherine Giapponi & Cheryl Tromley, *A Model of Ethical Decision Making: The Integration of Process and Content*, 73 J. of Bus. Ethics, 219 (2007).

[10] *Id.* at 221.

[11] *Id.* at 223.

[12] *Id.* at 224.

[13] Jim Wishloff, *Teaching Ethics: A Classroom Model*, 2 J. of Bus. Ethics Educ., 71 (2005).

[14] *Id.* at 84-85.

[15] *See, e.g.,* Roaslie McDevitt, Catherine Giapponi & Cheryl Tromley, *A Model of Ethical Decision Making: The Integration of Process and Content*, 73 J. of Bus. Ethics, 219 (2007); Surenda Arjoon, *Ethical Decision-Making: A Case for the Triple Font Theory*, 71 J. of Bus. Ethics, 395 (2006); William J. Wilhelm, *Ethical Reasoning for the business Classroom: A Decision-Making Framework*, 4 J. of Applied Research for Bus. Instruction, 1 (2006); Naresh K. Malhotra & Gina L. Miller, *An Integrated Model for Ethical Decisions in Marketing Research*, 17 J. of Bus. Ethics 263 (1998); Jim Wishloff, *Teaching Ethics: A Classroom Model*, 2 J. of Bus. Ethics Educ. 71 (2005).

[16] Linda A. Reid and Curt M. Weber, *Using Technology-Enabled Active Learning Tools to Introduce Business Ethics Topics in Business Law Courses: A few practical examples.* 25 J. of Legal Stud. Educ. 283, 289 (2008).

[17] PAUL D. KIMMEL, JERRY J. WEYGANDT, DONALD E. KIESO, FINANCIAL ACCOUNTING: TOOLS FOR BUSINESS DECISION MAKING, 8 (4th Ed. 2007).

[18] JERALD GREENBERG & ROBERT A. BRON, BEHAVIORS IN ORGANIZATIONS (9th ed. 2008). Chapter 2 is approximately 40 pages in length and is titled, "Organizational Justice, Ethics, and Corporate Social Responsibility." Of the 40 pages, approximately 26 pages are dedicated to ethics. The chapter does not lay out any particular theory,

nor does it discuss any decision-making models. Chapter 10 focuses on decision-making models, but does not relate any of them back to making ethical decisions or the use of ethical philosophies to assist in ethical decision-making.

[19] STEPHEN P. ROBBINS & TIMOTHY A. JUDGE, ESSENTIALS OF ORGANIZATIONAL BEHAVIOR (9th ed. 2008). On page 66, the text mentions that one must use one of three criteria (utilitarianism, rights theory or justice theory) with just one small paragraph to define each of the criteria. In addition, two pages (259-260) briefly discuss how management as role model can improve the ethical culture of an organization.

[20] *See, e.g.,* ROGER KERIN, STEVEN HARTLEY & WILLIAM RUDELIUS, MARKETING, 104, 29-30 (9th ed., 2009); CHARLES W. LAMB, JOSEPH F. HAIR & CARL MCDANIEL, MKTG, (2007/2008 ed., 2008).

[21] *Id*.

[22] RICHARD L. DAFT & DOROTHY MARCIC, UNDERSTANDING MANAGEMENT, 124-6 (5th ed., 2006).

[23] *Id*.

[24] MARIANNE JENNINGS, BUSINESS ETHICS: CASE STUDIES AND SELECTED READINGS, 29-30 (5th ed. 2006). The text has a number of cases throughout where students are supposed to apply the six steps.

[25] *Id.*

[26] NANCY KUBASEK, ET AL., DYNAMIC BUSINESS LAW, 23-30 (2009). The WPH model is comprised of a stakeholder analysis (Who), a values analysis (Purpose) and some ethics guidelines (How). For the How analysis, the authors chose the Golden Rule, Kant's categorical imperative and a public relations test. Each of these tests is incorporated in the model espoused in this article in addition to other tests.

[27] *Id.*

[28] KENNETH E. GOODPASTER, ETHICAL FRAMEWORKS FOR MANAGEMENT 18 (Harvard Business School Publishing, No. 9-384-105) (1983).

[29] LYNN S. PAINE, ETHICS: A BASIC FRAMEWORK 1 (Harvard Business School Publishing, NO. 9-307-059 2007) (2006).

[30] John Stuart Mill, *Utilitarianism*, *in* LAURA P. HARTMAN, PERSPECTIVES IN BUSINESS ETHICS (3rd ed., 2005).

[31] TOM L. BEAUCHAMP, NORMAN E. BOWIE & DENIS G. ARNOLD, ETHICAL THEORY AND BUSINESS (8th ed., 2009).

[32] *Id.*

[33] JACQUES P. THIROUX & KEITH W. KRASEMANN, ETHICS THEORY AND PRACTICE (9th ed., 2007).

[34] U.S. CONST. preamble.

[35] THE DECLARATION OF INDEPENDENCE, para. 2 (U.S. 1776).

[36] JACQUES P. THIROUX & KEITH W. KRASEMANN, ETHICS THEORY AND PRACTICE, 133 (9th ed., 2007).

[37] *See,* http://disney.go.com/disneyhand/voluntears/ (last visited Jan. 10, 2009).

[38] *See,* TOM L. BEAUCHAMP, NORMAN E. BOWIE & DENIS G. ARNOLD, ETHICAL THEORY AND BUSINESS, 27 (8th ed., 2009).

[39] Modified from a case found at Ethics Matters, a web site hosted by the University of San Diego, *available at* http://ethics.sandiego.edu/resources/cases/Detail.asp?ID=23 (last visited Jan. 10, 2009).