Ethical Codes Are Not Enough

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Many companies have adopted codes or standards of ethical behavior. Some of these codes are very specific. Unfortunately, well-intentioned companies may actually hinder the development of management's moral character by too much attention to rules and too little attention to questions. In particular, no rule can answer a modern version of Glaucow's challenge: "If I can get away with it and profit by it, why worry about whether it is ethical?" This paper suggests a supplement to ethics training for managers: an ethics checklist.

Steelcase, America's largest maker of office furniture, showed a profit in 1987 of $120 million from sales of $1.6 billion. It offers for wages a base pay of $8 or $9 per hour. Yet Steelcase is not unionized, and it flaunts a low annual rate of turnover among its workers—as low as 3 percent.

How does Steelcase do it? Robot workers? Zombies? No. A climate of cooperation between and among workers and management prevails at Steelcase. It gains the loyalty of its workers by showing a rare flexibility in how it allocates pay, hours, and benefits. The interests of the workers are tied to those of the company through profit-sharing bonuses; incentives, being a large part of the wages, keep productivity high. Workers with erratic lifestyles may select eccentric schedules. Thus workers, particularly working mothers, are absent less often. By being able to choose between eight medical plans, three dental plans, and a variety of other options, workers have an enormous say in how they are compensated for their work.

But look at Kaiser Cement. After tough bargaining in 1984, the management at the Cushenberry, California plant wrangled some 260 major concessions from labor. Management claimed this as a great success. A mere three months and 4,000 grievances later, management found itself with a growing heap of sabotaged equipment and a sullen labor force that refused to work overtime.

Whereas harmony reigns at Steelcase, a climate of distrust and resistance prevailed at Kaiser. The interests of labor and management at Kaiser did not coincide. An "us versus them" attitude tore the company apart. In A Great Place to Work, Robert Levering (1988), speaking generally about the "trust reservoir" of companies, says, "The erosion of trust can be seen as the root of various other pathologies—such as higher levels of personal stress and lower productivity."

Clearly, trust at Kaiser eroded.

A climate does not appear suddenly. It comprises countless events, attitudes, policies, and beliefs. Every decision, no matter how trivial, forms a part of the prevailing climate. According to Levering, "trust is the product of what has happened within the workplace over time. In this regard, trust in workplace relationships is not different from trust in personal relationships.

Certain acts seem to add to the quantity of trust we feel toward another person, while other acts reduce it." Thus, no single act will transform a Kaiser-climate into a Steelcase-climate overnight, but a single act could be a symbolic turning of the tide. Every day, each manager at Steelcase either maintains the cooperative climate or works to destroy it. Every decision of every manager at Kaiser either justifies labor's mistrust of management or acts to allay it.

A company is born when a little girl sells lemonade in her parent's front yard, or when investors fund a new biotechnical firm, or when a factory begins rolling out Model Ts. The basic features are always the same: a company is a climate created when free agents consent to mutually beneficial exchanges that harm no one.

A company is not just a charter, nor is it just a group of people, nor is it the sum of capital assets, nor is it any earning power. A front cannot be a company, nor can a crime ring be, nor a scam. Stripped of all trappings, a company is a
moral climate created for a worthy purpose.

Many companies have ethical codes, some of which are quite extensive. Some of the best are those of Boeing, GTE, Hewlett-Packard, Johnson & Johnson, and the Norton Company. But ethical codes are usually **either** too vague **or** too detailed for practical use. Codes formed of generalizations, according to Donald G. Jones (1982), "give people little or no guidance in their day-to-day behavior. Going to the other extreme may be even **more** dangerous, however. Setting out detailed rules in an attempt to cover all conceivable situations creates ... a tendency to substitute rules for judgment. The hidden danger is the temptation to use the absence of a direct rule as a reason for plunging ahead even when one's conscience says 'no.'"

**GLAUCON AND THE MODERN COMPANY**

S

o exactly what are the hallmarks of good companies? How can a "moral climate" be distinguished from any other climate? From the inside, one can tell good companies by the way they are bound together by mutual trust and cooperation. From the outside, one can spot a good company by the way its actions and advertisements seem to say "we will be around forever." Acting as if one will be around forever is a sign that one is acting ethically.

In *The Republic*, Plato dealt with the key question: Is a just life any better than an unjust one? In that dialogue, the students who had gathered around Socrates ventured several feeble reasons, most of which assumed that justness always led to pleasure, while injustice led to pain. Glaucon, a more cynical character, was not convinced. He asked Socrates to imagine a case in which the results were not so happy. Suppose an unjust man had a magic ring that made him invisible, and a just man had another ring like it. The just man, being modest, would perform good actions and take no credit, whereas the unjust man would do evil with no blame. Glaucon then wondered what would make justice better than injustice, if justness led to poverty while injustice led to riches and pleasure. In modern guise, Glaucon's challenge is: "If a person could lie, cheat, and steal and never be caught, why would he or she ever be honest?"

Glaucon's challenge is faced every day by millions of business people. The argument is very persuasive. In fact, some would say it cannot be refuted without religion. Although we will not answer the challenge, we can make use of it. When people talk themselves into unethical acts, they do so by pretending that there are no consequences to suffer. Some people refuse to even think about the consequences, some conveniently forget them, and some engage in wishful thinking. From nibbling a candy bar to embezzling a million dollars, a temptation is only as great as its cost is small.

When we said that a company is good only if it acts as if it will be around forever, we meant that the actions of a good company clearly show the managers to be always thinking about long-range consequences. In contrast, companies with mistreated workers, bad credit, poor customer service, or environmental problems are usually also companies with no real hopes for the future. The expression "fly-by-night" denotes not only impermanence, but also irresponsibility.

**THOUGHTFUL MANAGERS PERSONIFY COMPANY VALUES**

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anagers," says Levering, "act as co-

 ordinators—the folks who organize things so that work done by one part of the organization can be used effectively by another part." A manager is also an ethical link between labor, shareholders, suppliers, and customers. Whether meaning to do so or not, each manager sets an example for the rest of the company with his or her every action. The manager, in normal day-to-day activity, indirectly teaches others what is forbidden, what is condoned, and what is required. A manager, therefore, is a showcase for the company.

Andrews (1988), reporting on policy and practice at GTE, states that:

While education can highlight the importance of ethics and clarify ways in which rational business decisions can include ethical considerations, behavior change can only come about when the organization as a whole provides both the environment and the mechanisms for supporting ethical practices. It is incumbent on all managers, from the most senior levels to the first-level supervisors, to set clear standards and expectations for ethical conduct and to model, by their own behavior, the highest ethical practices. (p. 61)

To see how important even a seemingly insignificant decision can be, consider a rule that might be made by Ed, a vice president of a small engineering firm. Suppose he issued an edict, in the form of a memo, to his staff: "No smoking in the building—ever." He sought no second opinion, and listened to no complaints. "Smoking is unhealthy," he reasoned, "not only for smokers but also for nonsmokers. There are all too many smoking breaks, and they last far too long. Lit cigarettes are fire hazards. A staff of nonsmokers costs less to insure."
Ed's reasons were fine, as far as they went, but he forgot that dealing brusquely with employees always spawns negative side-effects. He overlooked the hidden cost of enforcing this new rule. For example, he forgot the passive resistance he would incite from some of his staff. Already facing an underground defiance for similar edicts, he could ill afford to make an example of anyone. He also underestimated how much time surveillance would take. But, he knew that if he failed to strictly enforce his new rule, his staff would start thinking of him as ineffective.

A no-smoking rule could seem unfair to one's staff. The work of heavy smokers could deteriorate. Even light smokers would be on edge. Tension would increase. The whole staff would resent the fact that only the shareholders benefit, while the employees, smoking and non-smoking alike, suffer in different ways.

But what if Ed's staff netted some of the benefits? Suppose some of the money saved on health and fire insurance went into employee perks. Would they have been with him or against him? If the continuance of these perks had depended on how well his staff policed itself, Ed would have to spend little time on enforcement. If the issue were presented to the whole staff, many solutions would be proposed that Ed might never have considered. Working together with Ed, the whole team would be united by a common goal.

Clearly, even minor decisions may affect employees in seemingly infinite ways. Likewise, daily decisions affect suppliers, shareholders, customers, and the public at large. How can a busy manager foresee enough potential problems, stemming from his or her proposed actions, to make informed, ethical decisions?

Recently, business ethics has become a topic of little debate and much concern. Business ethics generates little debate because everyone agrees that business people, like everyone else, should act ethically. Ethics, however, is a topic of much concern, because business people like Ed make everyday decisions that are fraught with moral implications.

Yet one question that has resisted easy answers is, "How can a company best train its managers to be moral?" Simply offering a list of rules to memorize will not create moral managers, because no number of rules and policies will add up to a single good act. By the same token, no book of restrictions and guidelines can treat every problem that will arise. Thus, even well-intentioned managers will make mistakes when they confront real problems that are not covered by company policy. Moral action requires a knowledge of all the alternatives, foresight into all the consequences, and two things for which few people have the time: practice and review.

We feel that the keystone to solid moral thinking lies not in having all the answers, but in asking productive questions. According to Tad Tuleja (1985), "Human judgment is notoriously unstable, but moral attitude—what some ethicists call 'moral character'—is not. Ethical judgment consists not in getting the right answer all the time, but in consistently asking the right questions." Thus, we suggest that companies interested in the ethical instruction of managers not rely exclusively on general laws engraved in stone tablets, but supplement their rules with a checklist of specific, easy-to-apply questions designed to provoke the type of thinking that usually guides an ethical act.

A CHECKLIST FOR EVALUATING MANAGERIAL DECISIONS

There is no substitute for experience and time. Harried managers, however, must have a way to streamline their ethical thinking. By honestly answering the questions in the Figure, managers can bring into relief the underlying moral structure of a decision.

This checklist draws attention to some of the more common causes of unethical decisions. A check in the "yes" column suggests the proposed decision be either changed or discarded. At a minimum, a "yes" means that more care is needed than with decisions scoring all "no's.

What this checklist does not do is give pat responses to tough problems. Positive solutions

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<th>General Ethical Checklist</th>
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<td>1. &quot;Does my decision treat me, or my company, as an exception to a convention that I must trust others to follow?&quot;</td>
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<td>2. &quot;Would I repel customers by telling them?&quot;</td>
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<td>3. &quot;Would I repel qualified job applicants by telling them?&quot;</td>
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<td>4. &quot;Have I been cliquish?&quot; (If &quot;Yes,&quot; answer questions 4a through 4c. If &quot;No,&quot; skip to question 5.)</td>
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<td>4a. &quot;Is my decision partial?&quot;</td>
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always require ingenuity, imagination, and insight. A perfect score will not guarantee the “rightness” of a decision, but it improves the chances of its being ethical. Managers must add their own questions to the list, as their companies, experiences, and personalities dictate.

**Bringing the Checklist into Focus**

What kinds of productive thoughts might be stimulated by this checklist? Here, in addition to a fuller explanation of what is meant by each checklist question, are some practical examples.

*Question #1*: “Does my decision treat me, or my company, as an exception to a convention that I must trust others to follow?” If the answer is “yes,” there could be ethical problems. Perhaps there are alternatives that do not flout conventions. The smooth functioning of business and society depends on everyone conforming to thousands of rules, both written and unwritten. Diverse examples of conventions are: taking turns, asking permission to smoke in another person’s room, being punctual for appointments, parking in proper parking spaces, following through on promises, telling the truth, respecting the property of others, paying taxes, and obeying the law.

The most common source of unethical acts is the temptation to think of oneself as special. Every wrong can be seen as a case of twisting around a well-known tradition, practice, etiquette, protocol, strategy, technique, rule, or law so that it works against those people who abide by it. For example, only when people form orderly lines can someone gain an advantage by cutting into line. Only if honesty is the norm can lying succeed.

Sam, the president of a small company that develops computer software, is bidding on a contract—a billing program for a local hospital. He faces a choice about timeliness: he could promise a delivery date that is either realistic or overly optimistic. He fears that a realistic promise would lose the contract. He knows that if he overstates and wins, the truth will only come out when it is too late for the hospital to switch to another software company. What should he do? Can he get away with underestimating the time needed to complete the task?

The first question on the checklist would force Sam to think twice about misrepresenting his service. Truth-telling is perhaps the most commonly assumed convention in the business world. If Sam were to lie, even if he believes that winning the contract is the only way to meet his payroll this month, he would show contempt for business tradition.

Because Sam is the president of his company, his actions set an example for everyone else. If Sam’s overstatement is taken to heart by the rest of his company, some people will follow his lead and make their own hyperbolic promises to him. Sam will soon discover that when he exaggerates the already exaggerated claims of others his projections are impossible to fulfill.

Suppose the checklist had made Sam notice that his proposed method of winning the bid was unethical. He might then have realized that his false promises would guarantee customer dissatisfaction. Ethics aside, if he realized how badly this would violate the marketing concept, he might have taken the time to work out another approach. Knowing that few software companies are known for timeliness, he could try to make a name for his company by always delivering a superior product when promised. He could have told the hospital administrators the most probable delivery schedule. If they insisted that he work as fast as one of his competitors claimed to work, he could agree to do so for a premium that would cover the cost of engaging sufficient subcontractors.

Some people feel that the world of business is cutthroat, that what people normally call treachery is nothing more than “business savvy.” These people might argue that being deceitful, far from making themselves exceptions to any rule, puts them right in line with standard business practice.

Even if one grants the (false) claim that deceit is rampant in the business world, to argue this way is to confuse a common practice with a convention. There is no convention forcing people to steal, even though theft is common. Bad grammar is the norm; good grammar is the exception. Thus, if one is tempted to avoid the first question by pointing out that “all the others do it,” one should ask whether “all the others” are following a rule or breaking one.

*Question #2*: “Would I repel customers by telling them?” If the answer is “yes”—that is, if a news story exposing the decision would lower profits—it is appropriate to rethink the decision. One should always be suspicious of any act that must be kept quiet. The impending danger is not the obvious consequence that the secret might leak out, but rather the easy-to-ignore consequences of secrecy becoming standard.

This checklist question is similar to but goes far beyond the marketing concept. The marketing concept tells us that the consumer is king; every decision must be made with the goal of profitably satisfying the needs of the consumer in mind.
The marketing concept, unfortunately, does not say anything about decisions that may be hidden from the consumer.

Many consumers of foodstuffs are just as concerned with the social history as with the physical chemistry of the product. For example, among many Californians, the demand for some produce varies with the working conditions of the migrant farm hands. For another example, many vegetarians, while having no general qualms about eating flesh, nonetheless boycott commercial meats in protest of the treatment livestock typically suffers in the cote and the abattoir. These examples, and others like them, show that manufacturers must sometimes think of ethics as an additive.

Many times, the answer to Question #2 will be: “I’m not ashamed of the decision. In fact, it saves the customers money. But, because some people might take it the wrong way, I would hate to see it splash across the front page of the New York Times.”

If a manager answers in this way, perhaps the decision needs more thought. If only the cleverest and subtlest arguments can salvage a decision, the arguments against it are probably far stronger.

In 1977, Parker Brothers, at a cost of $8.3 million, withdrew a highly successful plastic riveting toy, called Riviton, from the market after two children strangled on the plastic rivets. The toy had been carefully tested, the Consumer Products Safety Commission had ruled that the toy was safe, and both deaths were the result of obvious misuse. The decision to withdraw the toy would easily pass Question #2, because it would be unlikely that revenue would be lost by publicizing the decision. A decision to keep selling the toy would not fare so well.

**Question #3:** Would I repel qualified job applicants by telling them? If the answer is “yes,” the decision may be unethical. Decisions that would repel the best workers are decisions that hurt the company. For example, conscientious cooks would be wary of working in a restaurant where the manager recently fired a waiter for telling the local press about major health violations.

Steelcase has much to offer a new employee. Interviewers could freely discuss company policies at job interviews. At Kaiser Cement, interviewers of job applicants had best confine themselves to asking questions and avoid giving specific facts about working conditions.

Betsy manages the field service for a marketing research firm. She must decide whether to enact the following policy: all interviewers, to increase the response rates, are to represent themselves as college students working on a class project. This technique would be very effective, she reasons. It would save money. It might not lose any clients, even if they knew about it (Question #2). Furthermore, by encouraging her interviewers to lie, she herself would not be lying (Question #1).

Question #3 would make Betsy realize that many interviewers would turn down work under those terms. Honesty is a vital trait for interviewers, and the best job applicants would refuse to lie. Betsy understands that if they would be willing to lie to the respondent in order to get his or her cooperation, they cannot be trusted to turn in accurate data to Betsy.

Many former business practices have been outlawed because of the displeasure they cause workers. Other practices, while not strictly illegal, are commonly barred by larger corporations. For example, dismissal of whistle-blowers is illegal. Short of dismissal, however, there are many levels of harassment open to managers. Question #3 should sow seeds of doubt in any manager tempted to discourage or punish honesty. Nepotism, as another example, carries a message to all members of the firm: “hard work will get you nowhere.” Of all the messages a manager could send to the staff, this one makes the least sense.

Levering (1988) points out that destructive, internal politicking “is fostered whenever someone is fired (or demoted) for what appears to others in the company to be a personality conflict rather than deficiencies in work performance. Such episodes teach a powerful lesson to others—that loyalty (personal loyalty, not corporate loyalty) is the supreme virtue.”

**Question #4:** “Have I been cliquish?” If the answer is “yes,” the manager may not have a broad enough perspective to make an ethical choice. How many opinions are enough? It depends. In a small research firm, five opinions may be more than enough; in a large chemical company, a thousand opinions may be far from enough. Just as the definition of cliquish will differ from one company to another, so too will the methods of obtaining feedback. However Question #4 is best phrased for a particular company, the guiding principle is clear: when fewer people are involved, important issues are more likely to be overlooked.

Says a manager at Mattel Toys, “Ours is a very open company. The most ethical decisions at Mattel are the ones that make the rounds of the whole firm. Decisions directly vary in quality...
"Emergencies and espionage are two good reasons for confining certain decisions to small, isolated groups. But these are the exceptions, not the norm."

The reason it works this way is simple. When one person does something for the good of a group, we say he or she is acting morally. But when many people elect to do the same something for themselves, we say they are acting solely in their own self-interest. Thus, any action undertaken by a manager with the approval of a large enough group is automatically moral.

When Dillard's of Arkansas bought Joske's of Texas, Dillard's made no apparent effort to learn from Joske's. Dillard dismissed all the top levels of management and revamped the stores. One major decision was to dismiss all security guards and to remove the bullet-proof glass in the cash offices. Such a decision might have been appropriate for Arkansas, which reported in 1986 an average of 79.7 robberies for every 100,000 people, but it was not appropriate for Texas, which reported a rate in excess of three times that of Arkansas during the same year (239.9 robberies per 100,000 people).

Many companies have seen the value of informed decisions. At Delta Air Lines and at Johnson Wax, senior management schedules regular brainstorming sessions with blue-collar workers. Pitney Bowes holds monthly state-of-the-business meetings between labor and management.

There are two times when company-wide input is impossible or impractical. First, emergencies, as a general rule, must be dealt with at once, by a handful of people, and with little debate. For example, the Tylenol deaths forced a quick, responsible answer from James Burke, chairman of Johnson & Johnson. If the issues had been discussed too long, any well-intentioned action (such as a total product recall or the initiation of a tamper-proof packaging system) may have come too late. Although true emergencies are a good excuse for failing to consult with others, they are just that—an excuse. Any excuse, when overused, becomes feeble. Even in emergencies, there is almost always time to solicit input from a few others. For example, when hurricane Gilbert threatened the Gulf Coast in 1988, Douglas W. Matthews, Galveston's city manager, claimed to have consulted eight department heads before ordering an evacuation.

Second, the need for secrecy may limit the size of a decision-making group. For example, in testing product ideas that cannot be patented, small groups must operate in isolation from the rest of the company.

Emergencies and espionage are two good reasons for confining certain decisions to small, isolated groups. But these are the exceptions, not the norm. Normal, daily business activity is not filled with emergencies and espionage. If it is, something has gone very wrong with the climate. Suppose, however, that good reasons exist for making a cliquish decision. Questions 4a-4c are intended to partly mimic the broadened perspective that other viewpoints could have provided.

Question 4a: "Is my decision partial?" Partiality concerns the unfair distribution of advantages and disadvantages. Does the decision seem to benefit one person or one group without benefiting others? Does the decision make one person or group bear the brunt of a setback while the rest of the company remains untouched? Worst of all, does the decision take away from one group and at the same time benefit another? If the answer is "yes," the decision is partial and could be bettered by one that distributes the benefits or hardships more equitably.

To meet consumer needs is a must, but good companies comprise employees, customers, suppliers, contractors, and all community members touched by the company's presence. If a proper balance cannot be struck between the needs of all parties, the company has failed in an important respect. Thus, the marketing cliche "we wouldn't be here without the customer" is neither more nor less true than all the other variants: "we wouldn't be here without the investors, the suppliers, the laborers, the management, the research team, the marketing department," and so forth.

In their effort to acknowledge the value of workers, many companies are committed to job security. For example, Johnson Wax, Hallmark Cards, Hewlett-Packard, DEC, and IBM all have no-layoff policies. There are other ways of showing fairness to employees. Federal Express has a Guaranteed Fair Treatment program that encourages employees who have had problems with supervisors to talk with managers higher in the organization. Levering (1988) observes that "good workplaces typically have a variety of practices that reduce class distinctions." He points out that hardly any of the best 100 companies to work for have executive dining rooms that are off-limits to other employees. All employees at Marion Laboratories get stock options. Some companies, like Advanced Micro Devices, have taken the egalitarian spirit into the streets by eliminating executive parking lots.
Question #4b: "Does it divide the constituencies of the company?" This question is closely tied to the previous one, because partial decisions, by treating different groups differently, often split companies into warring factions. Of course, every company has some conflict between goals, but managers need not act in ways that heighten the clash.

Obviously, at even the simplest levels of human interaction, goals will conflict. When they do, resolution comes from thinking beyond the immediate goal. Most of society's conventions arose as ways of unifying goals that seem to conflict. For example, when two people cannot drink from the same fountain, drive through the same intersection, or handle the same client at the same time, the conventions of courtesy, right-of-way, and contract negotiation come into play. The simple goals must change from my drinking water to our drinking water, from my quickly getting through the intersection to our safely getting through, and from my handling this client to this client getting properly handled.

A good company benefits every party. Thus, at some level, the goals of all parties must converge. The secret of ethical management is finding the nearest point at which that happens. Ideally, customers want free products, suppliers want infinite demand, managers want free labor and supplies, workers want indefinite time off with pay. None of these wants will ever be fully met, but some decisions will move all parties further from their ideals, while others will have an uneven mix, and still others will move all parties closer to their ideals.

Traditionally, labor and management have goals that mix about as well as oil and water. These two groups spoke to each other only in the language of power. Recently, however, various techniques of wedding labor's interests to those of management have been tried. ESOPs were obvious peace offerings. Flex plans, like that of Steelcase, have also been tried. Some companies, such as Volvo, are using other techniques, such as automatic guided vehicles (AGVs).

Question #4c: "Will I have to pull rank (use coercion) to enact it?" If the answer is "yes," perhaps another decision can be found that will sell itself. If a decision is not popular with everyone, only a threat will make it work. But threats are always unwise, because they teach the wrong lessons and they cause more problems than they solve.

People don't like being monitored for productivity any more than they like being treated as if they are thieves; they often take a productivity score to be both an insult and a dare. Foley's of Houston keeps tabs on certain office people by counting the number of customer calls they take.

Because "taking a call" is measured by counting the number of times an employee disconnects, customers may call several times before their complaints are processed. Occidental Petroleum measures the productivity of its programmers by counting keystrokes at a computer terminal. This rewards sloppy programming. Cashier productivity, at scanner-equipped grocery stores, may be measured in "dollars per minute" while the cashier is actively signed onto the register. Under this system, cashiers can improve their productivity figures, without increasing dollars checked, simply by ignoring the smaller orders and checking only larger ones. Managers who harp on these dollars-per-minute figures are, in effect, lowering real productivity.

To monitor employees and tell them how they are being evaluated is to redirect their energy into trying to outsmart the system. If one lazy employee learns how, all the others are soon made to look bad. One by one, they all give up trying to be really productive and start working on higher productivity scores.

Question #5: "Would I prefer avoiding the consequences of this decision?" This question is intended to make sure that an imminent promotion, transfer, or retirement is not coloring the decision. If a manager is counting on being absent for the repercussions of a decision, he or she might need to look more carefully at those repercussions. In the zeal to make the current quarterly report the best possible, the future may be forgotten. Aided by fast promotions and frequent transfers, many managers may outrun the real consequences of their decisions for a long time.

Question #5 simply draws attention to this possible source of nearsightedness.

Companies, like people, are born and die within a span of time. Companies and people have histories, some that are sources of pride, some of shame. Companies and people have futures they can either worry about or look forward to.

When a rational person thinks about his or her choices and their effects, the value of today's self is no greater than that of tomorrow's self, or that of the day after, or that of 20 years from now. But an irresponsible person values today above all others and acts as if there will be no tomorrow. Clearly, because the rational person takes steps to prolong and enrich his or her life, this normally means outliving the reckless, careless person by many happy years. So
too with companies. A history of bare, quarter-to-quarter survival, where any setback would have proven catastrophic, is not reassuring to employees, managers, or investors.

Question #6: "Did I avoid any of the questions by telling myself that I could get away with it?" In a sense, this is the most important question of all. It is an honesty check, ensuring that the real issues have been looked at. The very things managers think they can get away with are probably the same things their staffs are already getting away with. If not, by adopting such decisions, managers teach their staffs how.

For example, if the answer to Question #1 was, "I can get away with it, the customers will never know," the question was brushed off. The very idea of "getting away" with something means the decision is questionable—whether from a practical, a cultural, an economic, a technological, or a moral standpoint. Businesses that thrive on "getting away" with things do not get away with much for long.

Let's use the checklist to evaluate Ed's nonsmoking edict. The decision would not treat Ed or his company as an exception to a rule (Question #1), nor would the decision repel any customers (Question #2). Although some qualified job applicants will dislike the nonsmoking rule, others will be pleased by it; very few people will let their choice of career hinge on this issue. In fact, Ed would be better off telling all job applicants about the rule on their first interview (Question #3).

The decision has passed the top of the checklist; it does not pass the bottom. The decision is cliché because Ed did not ask for a second opinion (Question #4). The decision favors the stockholders and the nonsmokers on the staff, so it is partial (Question #4a). It also splits the interests of these three groups (Question #4b). Ed will probably have to pull rank to enact it (Question #4c). Ed would be happy to let his assistant take the brunt of the consequences (Question #5). If Ed had asked himself any of the checklist questions, he might have tried avoiding some of them with answers such as:

- "Right is right; I don't need a second opinion." (Question #4)
- "If it's good for the stockholders, the staff can just learn to live with it." (Question #4a)
- "The smokers and nonsmokers are already at each others' throats, so their interests were already split." (Question #4b)
- "My staff respects me, so I can get away with a few farts." (Question #4c)
- "I don't have to listen to their complaints, my assistant does." (Question #5)

Any of these answers would have forced Ed to answer "yes" to Question #6 and reconsider his proposed method of banning smoking from the office.

References


Michael R. Hyman, currently of the University of Houston-Clear Lake, will be an associate professor of marketing at the University of North Texas, Denton, as of fall 1990. Robert Skipper is editor for Shepherd Systems, Inc. Richard Tansey is an assistant professor of marketing at the University of Wisconsin-Green Bay.