Building Behavioural (Ethical) Decision-Making Guidelines at a Biopharmaceutical Company.
A case study.

A research project submitted to Middlesex University in partial fulfilment of the requirements for the degree of Doctor of Professional Studies.

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DISCLAIMER

The views expressed in this document are mine and are not necessarily the views of my supervisory team, examiners or Middlesex University.

Acknowledgements

What I do for a living is not a cocktail party conversation starter. I am not anything as comprehensible as a banker, baker or beautician. I am a consultant. That's as far as I dare venture for the sake of continued engagement.

But I can tell you.

I am a decision-making consultant. It is not nearly as dull as it sounds. It is fascinating, endlessly new and humbling in its vastness and opacity. I cannot fit its multiple branches and contradictions into a 30-second elevator pitch – I have tried. So, when the right research partner arrived at exactly the right moment to embark on an adventure that would be exactly right for this research project, I felt lucky and grateful in equal measure.

Grateful to my colleagues, Adam Pacifico and Kevin O'Leary, then at Duke CE Europe, for convincing me that I was the right person for the job, even when I declined - twice. I am grateful to my co-working team at ABC Pharma for indulging me as an outsider along with my endless reflective conversations. I am grateful to Dr Kate Maguire at Middlesex University who generously gave of her time to guide me in polishing this submission and my supervisor, Dr Julie Haddock-Millar, for the encouragement, insightful questions and gentle nudges. Prof. Muel Kaptein from the Rotterdam School of Management (RSM) provided wise council on business ethics as my second supervisor and Dr Nico Pizzolatto from Middlesex who brought doctoral learning to life, helping us navigate the challenges we faced as research students.

My husband and son supported me when I needed it most and never asked me to explain exactly why I felt that I needed to take the time to write a book and a thesis to tell this story – although I knew they were wondering.

I am endlessly grateful to you all.
T

Contents

Index of Figures

Index of Tables

List of Abbreviations

EDM	= ethical decision making
DM	= decision making
E&C	= ethics and compliance department
Pharma	= a pharmaceutical company or the pharmaceutical industry
The Guidelines	= the ethical decision-making guidelines produced for ABC Pharma as an output of this enquiry
R&D	= research and development

Abstract

"To contribute to management practice, behavioural [decision] strategy needs to show managers how to make better decisions in organizational settings."

(Sibony, Lovallo and Powell, 2017, pg.16)

This thesis explores improving organisational decision quality by addressing one of the current limitations of behavioural decision-making theory by designing and implementing a behavioural decision-making process *in practice*. The latter being ethical decision-making guidelines developed with and for a biopharmaceutical company in my role as an external consultant using case study methodology and reflective practice.

This thesis shows that the theory that informs decision making in practice should not be limited to the fields of cognitive and social psychology but rather requires a more flexible and pragmatic approach aligned with the outcomes required of a specific decision system such as including literature covering economics, sustainability, business codes or ethics. The extensive decision-making literature available was narrowed down by exploring Nobel award winning decision-making theories as well as the metrics that decision makers considered important in their own decision making in practice.

This enquiry explored the practice of creating an organisation wide decision-making strategy that considers individual context such as *values* and *ways of deciding* as well as how to implement and support it over time. Finding that the personal nature of decision making and ethical judgement necessitated nonprescriptive decision-making guidelines that allowed for the identification of true decision dilemmas followed by customised best practice guidance on how to resolve them. It also found that there was no single definition of what was *the right thing* to do when faced with an ethical dilemma and hence the importance of a code of conduct that was behavioural in nature. The most impactful finding was the power of simplicity on designing decision strategies and how very welcome such a strategy was as a tool to create shared organisational language around ethics and decision making and how this promoted improved dialogue at all levels in the organisation.

Implications for further research include comparing several behavioural decision processes to find consistent protocols that can be re-used in generic decision-making strategies, measuring the effectiveness of these strategies and continuing to refine the practice of decision making in unprecedented problem domains.

Part 1 Introduction

Contribution to knowledge

This enquiry sits within the behavioural decision-making literature and covers the creation of ethical decision-making guidelines by a global pharmaceutical company. Their motivation for undertaking this project with me was to support their employees when faced with tough and unprecedented challenges. They also felt that changing the way society viewed large pharmaceutical companies (big pharma) would require a concerted effort from withing the pharmaceutical industry to improve transparency and ethical decision making in practice.

- As a case study, this enquiry illustrates the collaborative creation of an ethical decision-making process. It shows how to involve employees in the creation of a behavioural code that promotes and guides discussions about ethics, explores ethical dilemmas and helps employees make braver decisions when faced with unprecedented scenarios.

- Within the behavioural ethics literature there is a lack of such case studies that show how to build effective decision-making processes in practice. Several learnings from the case study can and have been transferred from one company to another. These include a series of questions that proved very impactful in the creation of an ethical mindset and a behavioural code of ethics:

  1. Who is trusted to implement ethical decision-making guidelines in an organisation?

  2. What does it mean to do the right thing in our organisation?

  3. Can a generic training programme improve ethical decision making?

  4. Can a simple decision process be effective?

  5. Should the ethical component of behavioural decision-making strategies receive more attention?

  6. Should codes of ethics be separate from codes of conduct?

  7. Should ethical decision-making guidelines be applied to all our tough choices or only ethical dilemmas, and, if so, why should they be called out separately?

- Lastly, the artefacts created from this enquiry include an example of a behavioural decision-making process, a questionnaire that explores the best way to rollout such guidelines and a roadmap to implementation and measurement behavioural decision strategies.

"To contribute to management practice, behavioural strategy needs to

show managers how to make better decisions in organizational settings."

(Sibony, Lovallo and Powell, 2017, pg.16)

In summary, I have taken up the above challenge posed by behavioural strategists to focus on organisation-wide decision processes aimed at specific organisational goals and in so doing, contributed to both knowledge and practice.

1.1 Introduction to the Enquiry

Part 1 sets the context for this thesis by introducing the academic enquiry, the client with whom the research project was carried out and the industry within which it is situated as well as the initial project briefing from the client. It concludes with a note on signposting and a discussion of the various audiences that might benefit from this enquiry. For clarity; use of the word *enquiry* refers to the academic study run concomitant with the client project referred to as the *project*.

Part 1 would be relevant to an academic audience and of interest to practitioners.

Purpose, aims and objectives

Purpose

The purpose of this enquiry is to enhance the practice of organisational decision making and contribute to the theoretical literature on behavioural decision-making strategies.

Aims

- To extend the theoretical literature, this thesis aims to contribute a case study of the creation, implementation and measurement of a behavioural decision strategy designed to enhance ethical decision making at a mid-sized biopharmaceutical organisation.
- Through sharing the detailed design and critique of this case study and potentially, the measurement of the effectiveness of tools implemented, I aim to contribute ideas and strategies that practitioners, decision makers and consultants can use to improve the quality of organisational decision making.
- I also aim to transform my professional practice with an improved product offering that further enhances organisational decision making beyond this enquiry.

Objectives

Achieving these aims will require:

- Designing a research proposal that is academically sound yet commercially appealing enough for an organisation to agree to engage in this extensive study. It should also be sufficiently flexible to adapt to the needs of the sponsoring organisation in real time.

- Enhancing my knowledge of decision-making theory and practice and related disciplines in order to offer the most appropriate solution to the organisation.

- Ensuring that the objectives of the decision system to be built are very clear and achievable for both myself and the sponsor.

- Building a behavioural decision-making system that can achieve these requirements. Documenting and reflecting on the creation of this system as it is being built to ensure a sufficiently robust case study.

- Gathering sufficient data on decision rights and decision-making behaviours in the organisation so that the system can be positioned and rolled out to complement these.

- Measuring the system against the objectives set with due regard to ethical considerations.

- Continuously and critically reflecting on what worked and what did not and the evidence for this.

- Documenting my findings and reflections in an academic thesis positioned within current literature.

- Making recommendations for further academic and practice related research.

Personal and professional context and desired impact

This section introduces me through exploring the personal and professional context that motivated this enquiry as well as what I had hoped to achieve at the outset.

Personal context

I am a decision-making consultant and founder of **DECIDE Ltd,** a decision-making consultancy, working to improve personal and organisational decision making through consulting and facilitation - including immersive decision experiences, decision coaching and decision coaching training as well as the author of 3 books[2] on the topic. Ironically, choosing to specialise in decision making was not a choice I made but rather the result of not choosing. Let me explain.

I am fascinated with decision making. My youth and early career were marked by a personal struggle with risk-based choices compounded by a lack of role models and mentors in my life at the time. Born in the late 1970's, I grew up on a small farm in South Africa as the youngest of four children in a happy, middle class family. Unbeknown to me and my siblings, our childhood luxuries were mostly debt funded, which was not unusual at the time. However, a national debt crisis that began in 1985, compounded by the Asian financial crisis from 1997 and the subsequent Russian rouble crisis of 1998 had profound impacts on the country as the currency (the rand) depreciated by 28% against the U.S. dollar precipitating a 700 basis points increase in short-term interest rates as share prices plummeted by 40%. Like other South Africans at the time, we lost our home as our mortgage rate hit 24%, both my parents' businesses folded, and our possessions were repossessed. We moved into a single caravan with an attached tent in a run-down caravan park. It was a difficult time and, as a teenager, I certainly did not understand any of it, especially why my parents were so powerless.

Through my very narrow and unforgiving lens, I blamed their decision making. Things improved somewhat as my parents got back on their feet but as I finished high school it was clear that they couldn't afford to send me to university or support me any further. I had some wonderful counsellors at school that were interested in my wellbeing but none of them could tell me how to make different choices that would lead to better outcomes. Career guidance for an uneducated female teenager in Africa was also rather dismal at the time. Straight after school, I left home and began work as a secretary at an investment firm, determined to save up and complete some form of tertiary education - and I did.

It took me 8 years to complete my undergraduate degree, not because I was particularly slow or unfocussed but rather because I changed my major subject twice. For as long as I could remember I had wanted to be a psychologist and my majors were set to be industrial psychology and psychology. As I progressed in the finance company where I worked, I was offered a promotion that included payment of my remaining tuition fees but only if I studied economics or finance as one of my majors. That job had given me financial stability and I felt compelled to change my subjects to keep what I valued most. My second major became information systems. I did not want to become an economist or systems engineer, yet went along with this change. Maths was my least favourite subject and I certainly did not want a career in finance, I just did not want to lose what I had. I was profoundly risk averse.

Sometime later, I became engaged to a colleague, but we learned that we couldn't work together in the same firm as a married couple. It was simply accepted that I would be the one to give up my job and move on - at the time I was head of Marketing and Communications for Prudential Southern Africa. I was faced with the same debilitating fear of loss. It was so crippling I put off the wedding (and my exit from the company) for a year and sought the help of a psychologist. We spoke at length about risk and resilience - calculated risks, unknowable risks and how good decisions take account of what we know and explore what we do not.

As I came to terms with accepting some risk, I said "yes". After the wedding, I set out on my own as a freelance financial writer with a nagging desire to pick up my psychology studies, when my husband was offered a transfer to Hong Kong. I was unable to get a spousal work visa and so settled for starting a family and completing a master's degree. Yes, I did them at the same time! Unfortunately, given the major subjects of my undergraduate degree, pivoting back to psychology was prohibitively time intensive, so I stuck to finance. With a master's degree in financial economics but still no real interest in finance, I had come to realise that what kept me coming back to economics was its focus on decision making and decision making tools- how to allocate scarce resources, decide on an optimal policy tool or investment asset or find the sweet spot between inflation or full employment. And then I found a short introduction to behavioural finance in the postscript of a textbook and it blew my perspective wide open. It was finance AND psychology and it promised to help everyone understand why they made poor decisions almost all of the time - including, and especially, me. It opened the door to explore decision making as a standalone subject and shine a light on my own decision-making frustrations.

I explored definitions of good decisions, understanding the role of risk and its various origins alongside behavioural economics - not realising that this search would ultimately become an immensely rewarding career in itself.

As an aside: with hindsight I can see that the combination of financial economics and information systems has been an extremely useful technical foundation upon which to build my career in decision making. If I have played to these strengths over time or if it truly was a lucky accident that life herded me in this direction, I will never really know.

Professional context

As I developed confidence in my understanding of the theory underlying decision-making, I began sharing what I had discovered. Unsurprisingly, serendipitous meetings and opportunities

were offered that allowed me to test the impact this could have in a professional setting. The idea of looking for the ideal job soon faded. My first client engagement in this area was with the Monetary Authority of Singapore - Singapore's Central bank. An incredibly lucky opportunity that launched my new career with a 4-year relationship that explored critical thinking in public policy decision making.

Twelve years later, I am a consultant and author[1] in the field of decision-making. Working for myself or in partnership with a service provider, I step in and out of organisations where I either facilitate a specific learning program around decision-making, audit an organisation or team's decision making to co-create decision-making best practice protocols (my products) or design immersive experiences where participants can test their decision making, be it risk based or ethical decision making intended to support organisational outcomes. This enquiry has also profoundly impacted the nature of my work and my product offerings as you will see.

Decision making is a multidisciplinary practice. I focus on its behavioural aspects incorporating behavioural economics, social psychology, and cognitive neuroscience, the new field of neuro-economics, information systems, and business theories including emotional intelligence. Over the last decade, I have focussed on synthesising theoretical knowledge from these fields to answer the broad question of - what makes a good decision?

Today I am seldom engaged to teach organisations or individuals about what makes a good decision but rather how to create or facilitate the behaviours that lead to improved decision making and to design systems that encourage groups of individuals to think about their thinking in structured and helpful ways. Besides, there is no grand theory of good decision making but many different angles of view into the question. Later, I will discuss why I do not think that a meta-theory is appropriate while bringing disparate theories together as needed for this case study. This is where my own experience and the nature of the literature available fails me and what I think is needed to move organisational decision-making forward. Choosing to embark

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[1] The books I have authored are:
- *Think Smart, Work Smarter - A practical Guide to Solving Problems Faster, Making Better Decisions, and Improving your Effectiveness through Thinking Smarter,* published by Marshall Cavendish Business, 2011
- *Raising Thinkers - Preparing Your Child for The Journey of Life,* published by Marshall Cavendish Editions, 2017
- *Decide - The Science and Art of Choosing Wisely,* published by Marshall Cavendish Business/Times Publishing, 2020

on this enquiry has been a reaction to the lack of cohesion and practical usefulness of the literature available.

The ethical component of this enquiry was not a conscious choice but another happenstance that has had a tremendous impact on my practice and seems to me now, with hindsight, to have been a glaring omission in my initial exploration of decision making.

Limitations and opportunities imposed by my professional context

The context of my work as an external consultant offers opportunities and limitations on my proposed enquiry. Reflections recorded in past project journals suggest that some of these are consistent across different clients and project scopes and include:

1. Limited understanding of the decision-making process in context.
   I try to keep up to date with research in decision making, which is increasingly in the field of cognitive neuroscience and neuro-economics. The ability to translate theory into practical and useful vignettes for clients is a cornerstone of my practice. This is a top-down approach to knowledge creation beginning with external knowledge/theory and then personalising it for the audience. I increasingly feel that a bottom-up approach, that begins with the individual or organisation and their context, would enable my offering to be more nuanced and reflective of the decision-making environment within which my clients decide. This informs my choice of case study research rather than broader survey research across a number of organisations as I feel this gives me the best opportunity to explore how organisational culture and "terroir" impact choice behaviour.

2. Limited information on the effectiveness of my products.
   Once a product or training has been delivered, I seldom have further contact with the end users. This limits my ability to measure the effectiveness of the products I co-create. How to measure their impact is another question that I need to explore further as good decision making means different things to different organisations and individuals. If I use the literature on ethical decision-making codes as a proxy for decision-making processes, then I find limited research on their effectiveness with some disagreement around what a suitable measure of success is (Kaptein *et al*., 2008). In addition, the products I build are unique to each organisation, team or individual, requiring a unique measurement system and long time periods over which to measure them.

3. No formal training in management consulting.

    Despite the final product being unique to an organisation, these projects have several constants between them. The most apparent one being *me* and the knowledge and experience that I bring. Alongside the latter, the decision-making system that I have synthesised over time informs the theoretical foundations of my product development, content and delivery. The other constant is my approach to consulting. Having neither worked at a consulting firm nor studied change management or organisational development, my notion of the role of a consultant has developed organically in response to my clients' needs along with the idiosyncratic skills and limitations that I bring to the engagement. From my viewpoint, my lack of training in formal consulting and change management has been an asset rather than a liability. It frees me up to create new and flexible ways of co-creating with clients without the overhead of traditional expectations or prerequisite behaviours. It is worth mentioning right up front that I have chosen not to engage with the literature on consulting despite this case study being a consulting engagement. This enquiry is already well served by several fields and its focus is not to improve my consulting offering but rather the quality of the decision-making products that I produce alongside my clients. No doubt, my idiosyncratic consulting skills will benefit from this but will remain unexplored in this enquiry mostly because I do not have an objective lens through which to view them.

4. Confidentiality agreements limit transparency in my research.

    Confidentiality agreements govern the relationships with my clients and indeed with the clients of intermediaries that I often work through, as well as the products I create for them. Given the nature of what I propose to research within client organisations, it is very unlikely that I will get permission to publish any specifics of the engagements or products or name any of the collaborators.

What is the impact I wish to make?

In setting out on this enquiry, I had a broad idea of the value I wanted to bring to different stakeholders in my professional practice. Of course, it was future orientated at the time. Looking back at them now, I can see how and to what extent each of these has been achieved. So, I will leave them here exactly as I wrote them up in 2018 and then update you on my progress towards them at the end of this submission.

In 2018 I wanted to:

1. Transform my own practice

- I currently consider myself a theoretical consultant; I understand what I do from a theoretical perspective, and use that to inform my products, but I have not yet dipped into the messy reality of practical decision making in different contexts and what that could offer as refinement, or perhaps even something more transformational, to my practice. A meaningful transition from a theoretical to an applied understanding of my work would vastly improve my impact and the value I bring to clients. If I could achieve this it would, I assume, boost my confidence in feeling congruent and credible in a subject that I am passionate about.

2. Improve the creation of my products through understanding the decision-making process in practice

- Does knowing about our mental biases (Kahneman, 2012; Tversky and Kahneman, 1974; Thaler and Sunstein, 2009) and inability to process information in a traditionally rational way (Hastie and Dawes, 2010) change how we view information and make decisions? Does having a decision-making process that accounts and controls for these and other best practices externalise the process of deciding or do we revert back to instinct and reflex when under pressure to make a decision? In short, do the products that I build make a difference to the quality of my client's decision making? If so, how would I measure this?

- Answers to these questions would vastly improve the effectiveness of my product offering and save my clients an extensive trial and error period when engaging in new initiatives.

3. Assemble a customisable decision-making framework

- Offer a practical, customisable framework to decision makers that promotes the use of decision-making best practice through integrating the disparate literature on decision making as well as the findings of my enquiry and professional experience. This would add to the literature on behavioural decision strategies as an example of a 'concrete, context dependent experience' (Flyfvbjerg, 2006) for other practitioners to draw their own learnings from and then adapt these in their own context as appropriate.

Rationale for this focus

Who really cares about the enquiry I want to embark on? Me, my practice and my clients. The ability to refine my offering through a greater understanding of how decisions are made in practice, what helps and hinders sound judgement and how to promote the latter through a framework will be invaluable in the growth of my consultancy. Delivering a product to my

clients that better reflects the lived experience of decision making will increase returns to their investment and improve adoption of sound decision-making practices. In addition, given that decision making is the primary function of a leader and the leadership teams that run organisations, my enquiry could help consultants who design leadership or change management initiatives as well as educators who work to improve decision making and leadership.

Epistemological position

Creating knowledge in the role of an external practitioner-enquirer and my epistemological position

Whilst I would love to be able to create knowledge that is both useful for practitioners and robust for scholars (Coghlan and Brannick, 2014) and that can address the rigour or relevance dichotomy (Schön, 1983), I am not sure that researching in the swampy lowlands of only a few companies (or just one as I ultimately did) will meet these goals definitively. So, I will rather begin with Nicolini *et al*'s conclusion that, "organisational knowledge is acquired through some form of participation and is continually reproduced and negotiated to create information that is dynamic and provisional" (Nicolini *et al*, 2003, pg.3). This feels like a more realistic place from which to conceptualise my research in and on practice with the aim of creating knowledge that is continuously open to re-interpretation and revision, especially as context changes.

I believe that the choices we make reflect biological, idiosyncratic and contextual influences. The latter relating either to the context of the individual decision maker or the organisation within which decisions are generated or both. Either way, decision making is an emergent property of a system (Georgiou, 2003) with a great number of influences affecting it.

An enquiry into decision making must then, for me, reflect that we are not separate from what we know, and our decisions are not separate from our experiences nor are they separate from the organisation or system in which they occur. That the information we use to inform our decisions and behaviours is distorted by who we are, echoing Mead (1932) and Blumer's (1962) assessments that the interpretation of a particular situation defines our response to it. Hence the meaning we attach to the action of others or situations results from the possession of a unique self, creating an interpretive (or symbolic) layer between reality and ourselves that mediates and governs interactions within society (Blumer, 1962). This internal, idiosyncratic reality is unique to each of us, acting as a lens through which we filter information - and

conduct an enquiry. Does this spill over to an organisation? Is there an organisational lens through which information is filtered which impacts decision making? I believe there is.

A natural paradigmatic alignment would be within the Interpretivist tradition as I extract meaning from the subjective experiences of individual participants. Having explored what is considered "good research" within the latter, I found myself wondering if I could produce rigorous research using constructed, negotiated and interpreted data with novel forms of quality control (Hessels and van Lente, 2008). How would I know I was not shaping conversations and qualitative data to align with the outcomes I expected to find rather than the truth? Throughout my enquiry I will be learning in and through action; my own and others. I will be defining a system and populating it with data. Sharp and Fisher (1999) remind us of what seems obvious from the outside looking in; that data is at the bottom rung of our enquiry, reasoning sits in the middle and conclusions occupy the top rung. The usefulness of my enquiry will rest on the efficacy of data collected, how I reason through that data and the conclusions this yields.

In a pilot study conducted *prior to this enquiry* I learned, first-hand, of the tremendous influence researchers have in shaping research outcomes and conclusions from qualitative data as reflected in my notes: *Once I had collected data from 53 interviews, I struggled to make meaning of it all both for the enormous volume of data and how very different responses were. In addition, the power I had to shape the threads that ran through the open-ended questions was rather alarming to me. I found that even by changing the order of the questions, the meaning that could be ascribed to each answer changed. Reading about qualitative research methods did not really prepare me for or help me resolve this challenge. I understood then why good research begins and ends with the research's ethical standards.*

As the amount of qualitative data I gather grows, I feel it important to have some guiding principles to ensure that I minimise the possibility of co-creating data along with my research participants in favour of reaching conclusions that reflect the true spirit of the data collected.

Reasoning and conclusions will be mine to make without the input of those who engaged in the initial conversations with me – so I have a duty to represent the essence of their meaning as accurately and within context as possible. I have spent much time thinking about how to do this and decided that I can begin by raising awareness of those things that blur the lens through which my data is filtered - my mental biases. Novelty seeking, assuming that what is presented is the whole truth, ignoring context, wanting to be liked, avoiding unease and uncertainty

aversion are biases I have uncovered in my thinking over time (the traditional biases of behavioural economics are already familiar troublemakers in my thinking). Although I have learnt to spot and manage my chronic risk aversion, it may still nudge some of my choices and whilst I will never be a thrill seeker, some personal and professional risk will always be required to do justice to an enquiry such as this.

Having to ask others to work with me is risky as rejection is just a word away. The risk of learning that what I do does not really have as much impact as I had believed, is another risk but one that I can embrace. My livelihood depends on producing value for my clients and if I have clear information that it does not - no matter how painful - I now have information I can use to improve my offering. So, I will approach this with intense curiosity rather than fear of failure. I am also encouraged and emboldened by the knowledge that an enquiry such as this is not undertaken by myself and for myself and my practice alone. I will work with and build on the work of others and, hopefully, produce a thesis that is of interest to a variety of audiences as described below.

Audiences to this enquiry

Typically, one would discuss stakeholders rather than audiences in an enquiry such as this, however the Ethical Decision-Making Guidelines produced in the client project deal extensively with *stakeholder* perspectives and impacts. To avoid confusion, I will therefore refer to *audiences* rather than stakeholders in this enquiry. To facilitate navigation, I have delineated four potential audiences to this enquiry namely; professionals, clients, academia and me/my own practice. I define them as follows:

Professional audience

These audiences include a professional audience of management consultants, behavioural economists, ethicists and practitioners looking to improve organisational sustainability. Their desired outcomes might be different to mine but the process that that this case study explores is useful. I explore translating theory into practice whilst integrating different disciplines such as psychology, behavioural economics, management theory (business codes and stakeholder outcomes) and ethics.

Clients

My primary audience is, of course, the organisation which partnered with me in this case study, but this work has already influenced the work I do with other large organisations in building

decision-making strategies for them. In addition, every decision coaching session I have now benefits from the knowledge I have gained through this study. Every client I work with will find that I am clearer on how to approach the discovery phase, how to gather organisational knowledge and how to translate that into tangible actions within their project. This speeds things up and allows for results sooner (and at less cost to them).

Academic

Other students of behavioural decision making will benefit from the example of building a behavioural decision-making strategy collaboratively within a highly regulated organisation. Those working in ethics would find use in understanding how ethical decision making can be influenced and bolstered by various disciplines from neuroscience to behavioural economics.

My practice

Mostly, *I* will benefit from increased confidence in areas I have explored in some detail and from increased doubt in the areas where I know that there are no certain answers or that my previous knowledge had been based on pop psychology or popular narratives. I am more hesitant to declare as true any area where the knowledge base is still under construction or changing as new information or technologies advance. This is quite a feat for a management consultant!

I have separated this thesis into four parts plus an appendix so that each audience can easily navigate to what matters most to them as follows:

Table 1.1 – How to navigate this thesis

Part	Content	Professional	Clients	Academic
1	Introduction and context			★
2	Research to inform the creation of artefacts	★		★
3	Creation and presentation of artefacts/tools	★	★	★
4	Synthesis			★
Appendices	Artefacts created from this enquiry	★	★	★

I have not been more specific around separating out professional audiences into their different subsectors as I have assumed that choosing to delve into a thesis on ethical decision making implies an interest in both these topics regardless of the profession. The above guidance is shared in more detail under signposting. It is possible, but not guaranteed, that Part 1 would also be of interest to a professional audience.

My Communities of Practice

Whilst this enquiry is produced for various audiences, it has been supported by and flourished within three communities of practice that I hope to be able to enrich with my learnings hereafter.

The Duke Corporate Education team

To me, one of the most rewarding aspects of this enquiry has been working across different communities of practice. Firstly, working with Duke University's Corporate Education division. This project was the first true advisory project taken on by their European headquarters so we worked together to further their advisory offering, using this as a template to inform various aspects of it from how to structure billing, to how to work together with me as an external consultant embedded within a client team. As a project team we had deliverables to the client but the ability to use the insights gained from discussing and reflecting on this case study helped us all enjoy several of the benefits of a community of practice as explored by Lesser and Storck (2001, p. 836). In particular, we have been able to flatten the learning curve when onboarding new advisory projects allowing us all to understand and respond to client needs more quickly. Continuous discussions and sharing of knowledge gained through our practical experiences amongst this original Duke team has also resulted in an ongoing and vibrant professional community. Today we continue to share our diverse expertise and knowledge as we partner in building various initiatives around *ethical decision making* and *decision making for* sustainability. This was not an outcome I could have foreseen at the start of this journey.

The project team at ABC Pharma

Whilst working with the Duke team I was also embedded in a typical project team at ABC Pharma. In addition to meeting project deliverables, the latter were able to foster a much wider community of employees interested in this topic. This community played a very important role in sharing their experiences and knowledge of ethics from various corners of the organisation helping to build and strengthen the Guidelines. It still exists 3 years later, and they are active in sharing experiences around the use of the Guidelines, their own ethical dilemmas and working towards continuously supporting this offering and bringing it to life.

Academic community

In addition to these two communities of practice, this enquiry has benefitted equally from the academic community of practice around behavioural decision making. I have not yet been a

vocal participant in this community but that will change as I move into post-doctoral life. It is a community that spans the theoretical/practical divide just as I do. It is not a vast community of practice but growing with the concomitant growing pains and disagreements that will ultimately shape its future. Although I am hoping that this future resists being cast in stone but rather chooses to reflect the constantly evolving nature of human choice. This is a very exciting time to be a decision researcher. Let me explain why and where this enquiry fits into this academic community. I will expand further on this towards the end of this thesis within Part 4 – the synthesis.

Initial positioning of this thesis within the behavioural decision-making literature

Writing in the Annual Review of Psychology Slovic, Fischhoff, and Lichtenstein[2] (1977) commented on an emerging trend that caught their eye in the decision-making literature of the day that, *Decision making was being studied by researchers from an increasingly diverse set of disciplines … including psychology*. In addition, "the prescriptive enterprise was being psychologised by challenges to the acceptability of the fundamental axioms of utility theory" (pg. 265). Two years later Kahneman and Tversky (1979) published their paper on Prospect Theory and the legitimisation of behavioural economics began in earnest. Given that decisions are made of the stuff of thoughts, this should not have been a surprise. The following 30 years saw an explosion in interest in the psychological underpinnings of decision making and given that decision making impacts every industry or profession and everyday life, there have been no boundaries on who studies it, how or for what reason.

As economics and finance deepened their relationship with psychology and neuroscience, very clear behavioural movements emerged (see literature review on 'What makes a good decision'. These same movements were not as clearly visible in strategic management though. This surprised several researchers and Ahlstrand and Lampel's 1998 review of the cognitive school of strategy quoted Mintzberg as saying that "the cognitive school of strategy is characterised more by its potential than its contributions and… it has yet to gain sufficiently from cognitive psychology" (Mintzberg *et al*., 2009, *pg. 172)*. Despite its slow uptake in strategic *theory*, research in psychology and behavioural economics continued to influence the *practice* of strategic management through many individual avenues of research.

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[2] Slovic, Fischhoff, and Lichtenstein went on to found the *Decision Science Research Institute* that focusses on researching decision making under risk.

As the world was rocked by several corporate failures in the economic upheaval and financial crises of the 2000's including the bursting of the tech stock bubble, the subprime mortgage crisis in the US and subsequent worldwide recession in the late 2000's, the existing pillars of strategic management theory could not satisfactorily explain what had gone wrong. The blame lay largely with poor executive judgement, but poor decision making was not yet formally associated with strategic management theory, despite a growing body of research on the topic (Powell *et al*, 2011). In 2011, a collaboration between Powell, Lovallo and Fox sought to bring some structure to the various streams of behavioural research directly applicable to strategy theory; collectively known as behavioural strategy. They defined the latter as "merging cognitive and social psychology with strategic management theory and practice. Behavioural strategy aims to bring realistic assumptions about human cognition, emotions, and social behaviour to the strategic management of organisations and, thereby, to enrich strategy theory, empirical research, and real-world practice*"* (Powell *et al*, 2011, pg.1369).

Arguing that strategic management theory still struggled to explain the crucial problem in strategic management - namely firm heterogeneity and performance - they proposed that behavioural strategy sit as a subfield within this body of knowledge to contribute research addressing poor executive judgement and larger macro cultures of poor judgement. Although admitting at the time that, "despite much progress, the aims and boundaries of behavioural strategy remain unclear" (Powell *et al*, 2011, pg.1369*).* An important shift was proposed in this subfield in that the core unit of analysis should be the individual decision maker rather than the firm or business unit. Given its focus on decision making, this subfield is alternatively referred to as "behavioural decision strategy" because at its core, it endeavours to understand the actual influences on actors when making choices (Mullaly, 2014, pg.519).

In an aborning field with such a broad title as *behavioural strategy*, I wonder if the coming together of only three disciplines is going to fairly represent this field going forward? Powell, Lovallo and Fox acknowledge that "the term 'behavioural strategy' is not widely used and means different things to different people" (pg.1370). This is no surprise given that "how we decide" is the product of many idiosyncratic, organisational and social influences that "are reflected in a mind-boggling diversity of topics and methods" (pg. 1371). I feel that, in these early days for this field, such a soft form of conceptual unity, rather than diluting research efforts, throws open its full potential to create a rich and varied field that reflects the true nature of the practice of decision making, which is dynamic and subject to revision.

There are divided views on how beneficial this is for the development of a body of knowledge and Markóczy and Deeds (2009) suggest that researcher efforts should focus on creating impact through developing a single paradigm, warning that theory building at the intersection of fields or disciplines is potentially a road to no-where. Others disagree (Zahra and Newey, 2009) and promote "academic entrepreneurism" through cross disciplinary research (pg. 1065) to shed light on real world complexity. As a practitioner in decision making, I have never been able to meet a client brief with one theory, field or school of thought. I have always had to be creative and build solutions from ideas spanning several different topics as you will see in this enquiry. How this work is contextualised within my community of practice and how it contributes to existing knowledge will be expanded upon towards the end of this thesis.

My hope is not that research efforts within behavioural decision making will naturally coalesce over time into strict overarching theories, instead I hope that it will continue to be open to and so benefit from advances in a myriad other fields and technologies as the line between human and machine decision making blurs perceptibly. As a practitioner in this field, I find this terrifically exciting but also daunting in its vastness. This case study is my contribution. It shines a light on a small part of that vastness, illuminating the construction of a cross disciplinary behavioural decision-making strategy designed to clarify and improve ethical decision making in a bio pharma. It is a critical and reflective account of my efforts, findings and stories in operationalising cross disciplinary theory and professional practice. Mostly, it shows that this seemingly daunting task can be done.

My beliefs around decision making

Literature and theories of various kinds permeate this case study. As in the field of behavioural decision making, my efforts to formulate beliefs around my topic have been multidisciplinary. Before I even considered undertaking a doctorate, I relied on academic literature to inform my practice and the products I built for clients. With experience, I was able to blend theoretical knowledge and practical knowing into my offerings. After a decade of working in this area, exploring the idea of *what makes a good decision*, practice and theory have led me to develop my own general beliefs around the topic. The role of literature in formulating this *theory* of mine will be explored throughout the literature reviews but a high-level summary of what I believe to be true and have tested with a large and diverse range of audiences and decision makers can be summarised as follows:

- I believe that good decision making is process, not goal, orientated.
- I believe that, in order to be effective, a decision-making process should be adapted to the innate way that an individual, team or organisation makes decisions in order to enhance actions that already feel natural. How each of us decides to decide will result from our unique selves; reflecting, amongst other things, our personality, culture, limitations, resources, influences, values and beliefs, our risk and time preferences and what we have learnt from previous decision experiences. I always ask those that I work with to first understand how they currently make decisions (either at an individual, team or organisational level) and only then do we discuss various decision-making tools that can be used to enhance their current decision-making process no matter how limited or extensive it is.
- I believe that such a customised decision-making process should be filled with best practice tools.
- I believe these tools should be chosen to help a decision maker explore information with greater clarity, abstract from the lens or frame through which they view it, surface assumptions and unintended consequences in first and further order choices, explore and fill blind spots in reasoning and allow for ideas and beliefs to be sufficiently challenged.
- I believe that emotions are a source of rich data and should be used as data points in analysis.
- I believe that a good decision-making process can serve as a debiasing strategy.
- I believe that a good decision process leads to less regret with hindsight.

And therefore, I believe a good decision is one that the decision maker does not regret because they have explored it methodically, subject to the limitations of resources (including cognition, information, time, ability, influence and control) whilst understanding the effect of these limits as far as the limits allow. Once the outcome of a choice is known that outcome usually becomes the focus of attention and evaluation.

A best practice decision-making process allows a decision maker to show their workings out to others or themselves, aiding transparency and allowing one to judge the outcome within the context of their actions and limitations. A reflective decision maker will also notice that such a process orientation also allows them to reflect on and so improve the process underlying their decisions rather than going from decision to decision focussing

solely on generating a better outcome without understanding the mechanism that creates that outcome.

The selection of tools that can be drawn upon to enhance existing decision-making processes is explored extensively throughout the literature review on *what makes a good decision*. Whilst this thesis has served to strengthen my beliefs it has also highlighted what was missing from my *theory*. This will be expanded upon in the conclusion.

1.2 Introduction to the Client and Project Brief

This section introduces the client and case study and positions the former within the pharmaceutical industry.

Introduction to the client and research partner; ABC Pharma

Given the sensitive and subjective nature of ethics in any sector but especially in one as scrutinised and regulated as the pharmaceutical industry, my research partner has requested anonymity in my study. So, I will only provide contextual details about them and will, instead, focus on the pharmaceutical industry at present and how they position themselves within it. I will refer to them as *ABC Pharma* or just *ABC* throughout.

ABC is a mid-sized global biopharmaceutical company, listed on a European Stock Exchange within the Forbes top 100 for profit and market share.

Their employees focus on solutions for patients living with severe diseases and their marketing material tells us how they strive to be patient centred and science led. This is pretty standard for a Pharma company and, at the outset, I expected this to be marketing rhetoric but, after working with them for 2.5 years, I can confirm that the patient truly is at the heart of their way of working. Of course, having never worked this immersively in any other Pharma, I cannot claim that they are unique in this approach. I suspect they are not. Nevertheless, refusing to accept that it is possible only to provide solutions for the 'average' patient, they expend time and resources working to understand individual patient populations and their experience in living with a particular disease, including the ecosystem that surrounds them. Whilst I did not work with their scientific or research teams directly, this sensitivity to patients' daily experiences was often referenced in conversations, noticeable even to an outsider such as myself. The same patient centricity was even encountered in the legal team who took an active interest in this project. It was particularly tangible when I interviewed decision makers across the organisation

to discuss ethical dilemmas that they had faced in their day-to-day activities. These dilemmas often revolved around the patient and how they (the interviewee) were prevented from delivering patient value due to a variety of obstructions. However, due to the sensitive nature of those conversations I am not permitted to share details or quote any aspect of them, even if anonymised. Perhaps this is why the legal department was so interested in this project?

This intrinsic patient focus also stems from the reality that developing pharmaceutical solutions for specific patient populations is so time and capital intensive that delivering something that does not exactly address these patients' needs would have a profound impact on the profitability and sustainability of the organisation. Does this make them different from other Pharmaceutical companies who wrestle with the same cost realities? I do not know; I can only compare my limited perception of them to public perception of the industry and what others have shared about experiences in working with Pharma companies. A research scientist turned writer and blogger, Richard P Grant, offered some reflections on working closely with another pharma company over 18 months in an article with the rather eye-catching title *Is Big Pharma really more evil than Academia?(Grant, 2018)*. His experience led to reflect that he was working with exceptionally "dedicated, driven, hard-working and caring people. He acknowledges that they are well paid but, I am not convinced that the money can ever make up for the hours they have put in and the stress they have endured. No. They are determined to see this project through because they believe in the benefits of this drug (extended lifespan, improved quality of that lifespan) for real people in the real world." This mirrors my own experience in working with ABC, but still does not prove that all Pharma employees do not deserve the mantle of greed that the industry is cloaked with as explored below.

The focus of my enquiry is on ethical decision-making practices within one Pharma and a Google search (search phrase: *perceptions of ethics in the Pharma industry*) quickly frames the perception of the field they operate in.

Introduction to *Big Pharma*

Big Pharma is the collective label applied to the pharmaceutical industry. Whilst I could not find an exact reason that *big* was part of the label, investigating their product development cycles brought me to assume that *big* was related to their financial models - the very high cost of developing their products, the large turnover they generated from successful medications alongside the prices they charged for the latter.

Pharma companies do not operate under the same market forces that, say, a manufacturing or retail company does, nor are the risks it must accept in order to bring its product to market comparable to the creation of an average consumer good. It is also not entirely comparable to companies with high research, development and manufacturing costs, like Boeing or Airbus, due to a different research and development cycle. Big Pharma's role in society is different, too, because the value assigned to their product is different. These companies produce drugs (medicines) that improve or save lives, often with a monopoly over a particular formulation. Their clients can include ill, chronically ill and terminally ill patients, hospitals and government healthcare systems. The Tufts Centre for the Study of Drug Development estimated the cost of developing, testing and gaining approval for a new drug at $2.6 billion in 2016 which is far higher than a 2013 estimate of $802 million (Dimasi, Grabowski and Hansen, 2016). This total cost is derived from "the research and development costs of 106 randomly selected new drugs obtained from a survey of 10 pharmaceutical firms (abstract)". *These* numbers account for a variety of complex cost structures[3] beyond the scope of this study. This research also shows that the average time a drug spends in clinical trials has decreased, however the clinical failure rate of new drugs was 88% in 2016. Only 12% of all drugs brought to clinical trials (the final stage before regulatory approval) succeed on average.

All this failure comes at a price and it is these big numbers that attract much criticism of the Pharma industry. In order to guarantee a sustainable organisation and research and product pipeline, these high costs are passed on to their customers - including chronically ill patients who rely on their drugs to live pain free or extend their lives. Sometimes, the cost of drugs cannot be justified by R&D and manufacturing costs even with a healthy profit margin included. Writing in Forbes magazine (2016) Kenneth L. Davis, CEO of the Mount Sinai Health System in New York City and pharma and healthcare contributor to Forbes explains how he feels Pharma has broken its social contract with US consumers (Davis, 2016). He believes this social contract is ensuring that all those who need life savings drugs are able to access them. The reality is very different though as drug pricing can be prohibitive for many. Not only does the patient suffer unnecessarily but caring for them when they are unable to obtain the drugs they need, falls to families, carers and ultimately, healthcare systems and is a burden on society.

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[3] The authors indicate that the figures reflect the "full risk-adjusted cost per approved new compound that also takes into account time costs. That is, we link the cost of compound failures to the cost of the successes, and we utilize a representative time profile along with an industry cost of capital to monetize the cost of the delay between when R&D expenditures are incurred and when returns to the successes can first be realized (date of marketing approval)". Dimasi, Grabowski and Hansen, 2016, pg. 23

Many examples are cited of profit gauging by pharmaceutical companies such as purchasing old drugs with monopoly positions and hiking the price between 500% and 5000% along with a fourfold increase in drug costs for an average US family since 2001(Davis, 2016). Just this morning (04/03/2019), I heard on Bloomberg radio that access to affordable health care and lifesaving drugs is set to be an important platform issue in the 2020 US presidential election. Rightly so, when lifesaving cancer treatment costs have increased by a factor of 10 from 2000 to 2012 (Abboud *et al*., 2013). Data shows the same pattern in the UK where "newer drugs are a major contributor to the 10-fold increase in the average cost of cancer treatment in the UK since 1995" (Hill *et al*., 2017, pg.1). Whilst Pharmas are for profit companies and should recoup research and operating expenses, it is very hard for a consumer to know if they are paying a fair price for medication or to accept that a loved one cannot receive lifesaving treatment because they cannot afford it or that such treatment will leave them financially destitute. It is these opposing forces of providing a product that is seen as a public good with the cost pressure of a private organisation that keep the ethical spotlight continuously trained on the pharma industry.

Unlike in many other industries where ethics generally comes into question *after* a scandal (such as the VW emissions scandal from 2015 or BOEING's unfolding 737 Max Scandal from 2019) or when some practice or procedure is highlighted as questionable against a society's ethical standards like child labour in clothes manufacturing.

High prices in pharma or even denying patients treatment who cannot afford it is not illegal, in fact Pharma's are highly regulated in developed markets (see FDA.gov and ema.europa.eu) with severe penalties for transgressions. Complicating the picture is the monopoly position most of them obtain in identifying and developing a unique treatment or drug. In other markets, an overpriced product would not be considered an ethical dilemma. If the price of a normal manufactured product, for example, a car, does not reflect the actual cost of production and actual or implied value that it brings to the consumer then the price will adjust through the market mechanism or buyers will move to competitors. However, when the client is part of a vulnerable population and the value the product brings is quality of life or life itself then commercial price making mechanisms are not able to reconcile value and price. This is where ethics comes into play as neither fair value nor free market pricing serve as sufficient guides for pricing critical pharmaceutical products.

Whilst entering into the multifaceted drug pricing debate would not contribute significantly to framing my study, an example of how some Pharma's use their monopoly position to extract greater rents from consumers is informative in illustrating my points above and setting the scene for my study of ethical decision making in a biopharma. A group of more than 100 experts in chronic myeloid leukaemia (CML), an aggressive cancer, came together to draw attention to the high prices of cancer drugs and the effects it was having on patient populations and healthcare systems. The signatories to this report included the pioneering scientists and researchers behind the development of the cancer drug, Imatinib (Abboud, Berman *et al.*, 2013). Imatinib is on the World Health Organization's Model List of Essential Medicines[4], listing the most effective and safe medicines needed in a healthcare system. They feel the Imatinib story highlights the unethical nature of drug pricing in the USA and they say:

"Imatinib was developed as a goodwill gesture by Novartis, and became a blockbuster, with annual revenues of about $4.7 billion in 2012. As one of the most successful cancer targeted therapies, Imatinib may have set the pace for the rising cost of cancer drugs. Initially priced at nearly $30,000[5] [per patient] per year when it was released in 2001, its price has now increased to $92,000 in 2012, despite the fact that all research costs were accounted for in the original proposed price, that new indications were developed and FDA approved, and that the prevalence of the CML population continuing to take Imatinib was dramatically increasing. This resulted in numerous appeals by patients and advocates to lower the price of Imatinib, but to no avail so far" (pg. 22). They go on to highlight that costs have been fully recouped and no further cost pressures can be driving the price up, if anything this therapy should be falling in price as it would if it were a commercial technology merely to reflect the falling marginal cost of production.

It is hard to gauge the public's opinion on ethics in Pharma in the UK as the National Health Services (NHS) negotiates prices with Pharma companies and carries the burden of care for the majority of UK residents. This debate is far more public in America where 72% of respondents in a 2015 poll believed drug costs to be unreasonable and 74% thought pharma companies care

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[4] *World Health Organization*. April 2015. https://www.who.int/medicines/publications/essentialmedicines/en/ Retrieved 14 March 2019.
[5] $30 000 a year was considered the gold standard for cancer drug pricing as it reflected the value brought to a patient in extending their life by *a quality adjusted year*. At this price initial costs would have been recouped in 2 years.

more about profits than people, according to a Kaiser Health Tracking[6] poll in 2015. Whilst based in Europe, ABC's biggest single market is the USA.

European countries, too, are affected by rising drug prices. Several countries have united to boost collective negotiating power in price negotiations with pharma's. However, these various groupings have had very limited success in lowering costs and improving outcomes for patients in their countries (Paun, 2018).

This is the backdrop against which I entered into this project. It is public knowledge that ABC have twice been fined by regulators in the 2000's. Once in Europe for involvement in a price fixing cartel and once in the USA for mis-promoting a drug for a condition it was proven to be ineffective for.

Introduction to the project and initial brief

With the above background to the Pharma industry and the client, ABC Phama, let us zoom in to first explore the context and then the content of the particular project that will form the basis of this enquiry. Against this backdrop it is worth noting the client's motivation for undertaking a project that would create behavioural ethical decision-making guidelines namely:

1. A frustration with static codes of ethics that are clear on what to do but not how to do it. They wanted a useful decision-making process that served as a guiding tool when employees were faced with ethical dilemmas and unprecedented scenarios. The aim of this was to improve decision quality and foster an ethical mindset throughout the organisation.

2. The global pharmaceutical industry is often viewed in a negative and unethical light and has been for some time. Changes are needed to shift these perceptions and they believe that creating change from within the industry itself is the best place to start, especially to generate increased levels of trust between the industry and its stakeholders. They wanted to show their peers what was possible.

Setting the scene

My involvement in this project began in September 2017 when I was introduced to ABC Pharma in my capacity as a consultant, specialising in decision making, for Duke Corporate Education (a carve out of Duke University's Fuqua Business School). The seeds of this

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[6] Kaiser Family Foundation, 2015, *Most Say They Can Afford Their Prescription Drugs, But One in Four Say Paying is Difficult.* KKF.org, retrieved 14/03/2019

initiative had been planted at the end of ABC's corporate integrity agreement (CIA) with the US Government. This was a 5-year agreement entered into with the Office of the Inspector General of the US Department of Health and Human Services after settling a misdemeanour violation as mentioned above. This was for historically marketing a product for uses that were not FDA approved (off label usage). A CIA provides for procedures and reviews to be put in place to avoid and promptly detect conduct similar to that which gave rise to the misdemeanour. I am not at liberty to discuss specific, identifying details despite them being publicly available but can quote the USDHH Office of the Inspector General's website[7] to shed a bit of light on what a CIA entails.

"A comprehensive CIA typically lasts 5 years and includes requirements to:
- hire a compliance officer/appoint a compliance committee;
- develop written standards and policies;
- implement a comprehensive employee training program;
- retain an independent review organization to conduct annual reviews;
- establish a confidential disclosure program;
- restrict employment of ineligible persons;
- report overpayments, reportable events, and ongoing investigations/legal proceedings; and
- provide an implementation report and annual reports to OIG on the status of the entity's compliance activities."

Going through this process encouraged their leadership team to take a deep dive into their ethics and compliance procedures and programs, comparing it to both legislative and internal requirements as well as to what other, similar, organisations where doing to develop and innovate in this area. After meeting the requirements of the CIA over the 5-year period, no further new action was mandated. However, after such an intense focus on their ethics and compliance culture and that of their industry in general, they identified an opportunity to take the initiative further on their own and go beyond a compliance-driven code of conduct.

Employees were now clear on how to be compliant, but their executive committee acknowledged that in some of the hardest decisions they faced there were not always clear answers or legal precedent. In addition, because an option was *legal* did not always mean it was the most *ethical* thing to do. They thought it would be helpful both for them and their

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[7] https://oig.hhs.gov/compliance/corporate-integrity-agreements/index.asp retrieved on 15/03/2019

employees to move beyond compliant decision making to compliant *and* ethical decision-making, especially in areas where they are innovating. They envisaged this as offering all employees and affiliates advice or a structure to help them make more ethical decisions. This provided an opportunity for them to look at how decisions were currently made and how the process could be enhanced with an explicit ethical dimension.

In order to support this transition to an ethical mindset they envisaged a change to the power relationship between the ethics and compliance department and the broader organisation. To transition the roles of compliance officers to compliance consultants in order to empower the wider organisation to take greater responsibility for their own decisions without having to wait for a compliance officer to give them a green or red light at the end of their decision process. Rather to work alongside a compliance consultant to identify ethical or compliance stumbling blocks right up front and work through them together to speed up and improving the quality of decision making. They also felt that identifying where they could go beyond what was simply expected of them legally would allow them to *go the ethical mile* in service of their patients. They believed this would contribute towards their ambition of becoming *the patient preferred biopharma.* But they were not entirely sure how to achieve each of these at the outset.

Initial brief

My initial brief was rather simple. My notes from my very first conversation with ABC (August 2017) show that they were looking for *an in-the-moment contemplation tool to aid reflection.* They thought this could be *4-5 questions that could be used to reflect on how and why decisions are made, as a tool to assist in self and decision analysis. Hopefully these could call out behavioural biases, increase self-awareness and allow for reflection in the moment when making decisions*. My notes went on to reveal that ABC is comfortable with high failure rates in innovation and science, but this comfort did not extent to management issues or projects, nor were they comfortable in talking about feelings or values in decision-making. It was hoped that these questions would make it easier to have difficult conversations around values and ethics.

Although the brief started out as fairly simple, further exploratory conversations allowed the project team to explore the potential for this initiative and so significantly enrich the requirements and brief. I was very grateful to be part of these initial conversations. I am often brought onboard to implement something that has already been decided upon by the sponsoring organisation. This limits my usefulness and ability to ensure that the solution reflects a viable fix for that organisation's decision-making woes. With ABC, I was able to ask probing and

challenging questions and unpack the status quo as well as show that this project had potential far beyond a *4-question contemplation tool*. I am also grateful that they had agreed, upfront, to allow me to explore this process of creation as part of my doctoral research. This lucky timing meant that I took very detailed notes and recorded critical incidences that I would otherwise have only recorded cursorily or not at all.

Unfortunately, at the time, I had no knowledge of ethics beyond a trite definition of being ethical as *doing the right thing*. All the while hoping that a professionally confident demeanour in both calls and meetings would hide the gaping flaw in my suitability for this project. In fact, I had turned this project down initially when asked by colleagues at Duke CE to work with their client on it. But they persisted and assured me that my experience and knowledge of decision making was enough for the client. After struggling to find a suitable research partner for my DProf, I reconsidered and agreed as long as the client was fully informed of my limitations as concerns ethics and compliance (E&C). Whilst the project sponsor was informed, every new employee brought onto the project would assume I was expert in E&C. This was a rather tricky situation for me, I could not keep saying that I did not know anything about the subject, but I was initially expected to have answers or subject matter expertise that could add to the conversation about this 'contemplation tool' we wanted to develop. The purpose was, after all to improve ethical standards in the organisation. You will see later that this limitation of mine lead us to develop a much broader tool that had wider implications for the organisation.

To compound my case of feeling inadequate for the role I was informed that our first step was to run a workshop with interested leaders from various areas of the organisation to build the business case for this initiative, as not all their executive committee members were on board with it. I did not really know where to start but I thought that getting up to speed on basic ethics concepts would be helpful. This initial theoretical foundation was important in shaping the nature and content of the *building a business case for this project* workshop which we later referred to as the *diagnostic workshops*. Time was of the essence, as we had only six weeks to prepare the workshop amongst our various other work engagements.

In this time, it also became clear that the client was looking for a novel solution (part of the reason they did not employ an ethics or compliance specialist). The reason for this was to do with their ambition to be measured and rated by Ethisphere within the next 5 years. Conducted by the Ethisphere Institute, their measurements rank corporate ethical standards across sectors and organisations, recognising companies that excel in this, and promoting and sharing best

practices in corporate ethics. At the time, only one of their pharmaceutical competitors, *Lilly*, was an honouree in the Ethisphere rankings. ABC wanted a solution beyond an effective code of conduct and compliance manual. Turning to an advisory service that was part of an education provider such as Duke Corporate Education would allow them access to a wider range of knowledge and skills.

So, I did not need to be an expert on ethics but, in order to build a credible ethical decision-making system that would be evaluated by Ethisphere, I needed to have a balanced view on organisational ethics. Exploring ethics would be my starting point as the working group and I began weekly calls to discuss this project in more detail. At this time I also began thinking about what an academic enquiry centred on this project might look like. I keep detailed notes of calls, meetings and other interactions with ABC pharma as well notes on my thoughts and reflections. I had initially envisaged undertaking this enquiry as an action research project but soon realised that it was more suitable to case study research as I explore in part 1.3 below.

1.3 Introduction to the Case Study

Exploring research methods

Both case study and action research (AR) are practice based methodologies that I considered for this enquiry. Initially, I had expected to use action research because, at the time, it appealed to me for several reasons as explored in Coghlan and Brannick (2014):

1. AR entails an active combination of research and reflection in pursuit of a specific organisational goal – usually a change project.
2. It can also help practitioner-researchers to extract knowledge that could be of potential use to professionals performing similar roles to them, or who are operating in similar contexts.
3. AR provides a framework for undertaking a change-oriented project within which research can be integrated. This framework is flexible with four key activities combined into cycles that are widely recognised as essential to change projects -- planning, acting, observing and reflecting. Given that these occur withing cycles it is seen as a flexible framework allowing a researcher to fail fast or change course to meet changing organisational or personal contexts.

4. Crucially for a practitioner researcher such as I, these action research cycles can deliver early benefits to an organisation through the initial cycle(s) that can then be built upon in subsequent cycles.

5. It allows for a combination of research approaches and methods.

6. Academic research can and should be undertaken within any relevant action research cycle, preferably in parallel with the work-based part of the project.

7. A single, comprehensive literature review is not normally required up front, as is usually the case with more traditional theses. Literature reviews are more likely to grow out of, and be more directly relevant to, specific cycles within the action research framework.

These created a compelling argument for using action research for this enquiry and, in fact, I hadn't really considered other methods as it seemed a good fit right up front. However, as the client project advanced, it became clear that I would not be undertaking a change project. Certainly, the scope of the project was not fully appreciated in the early stages. I was not going to be solving a problem but rather bringing ideas and views together to build something to enhance current organisational decision making. The EDM Guidelines would be voluntary and only adopted by those who thought they would be useful in their decision making. I would certainly not have the ability to divide the work into discrete cycles. This project grew organically and even the client wasn't keen on having a set framework to work towards, albeit a flexible one.

Ultimately, this enquiry documents the building of the ethical decision- making guidelines alongside my reflections as the practitioner-researcher. to ultimately form a descriptive narrative that contains several different research objectives and methods.

Yet it could also be viewed as a 1-cycle action research project because it consisted of several discrete phases. These phases of research and reflection each answer a specific question but are not refined and repeated. The questions defining each phase was:

1. How do we currently address ethical decision making?

2. What does an EDM strategy that combines stakeholder requirements with decision making best practice look like?

3. What is the best way to roll out such a programme so that it leads to the creation of an ethical mindset across the organisation?

The activities involved in each phase still reflected those of action research cycles as suggested by Coghlan and Brannick (2014) who proposed wrapping a 4-step experiential learning cycle (Interpreting, talking action, experiencing and reflecting) around each of the four stages of an action research cycle.

As a research approach, AR was initially developed in the context of real problems, and had initially been used in problem-solving contexts. Because of this, Boyd and Bright (2007) suggested that an alternative mode of action research, which they called *appreciative inquiry*, was needed to address situations that didn't specifically focus on a problem to fix. Perhaps *opportunities to develop or exploit* could be the unit of study instead? The use of more creative approaches would be required when responding to opportunities rather than critical approaches as found in 'conventional' action research.

I wondered if appreciative enquiry that Boyd and Bright (2007) described as a 4-phase model (Discover – Dream – Design - Destiny) would be a better framework to guide this client project and enquiry. However, it still rested on a change project that the practitioner research had some method of control over. As I wasn't undertaking a change project, I had little control over the direction of the project and we weren't looking to solve a problem, I was encouraged to keep working on research methods that would give me the flexibility I needed as a practitioner researcher who wasn't undertaking a change project or solving a problem and would also not bind the client project into cycles. In reading Quinlan (2011), I found a clue as to what a better research approach would be. My research question started with "how". *How would one build an effective Ethical Decision-Making Strategy for a biopharma firm that would promote an ethical mindset across the organisation?*

This led me to case study research as I would be undertaking an in-depth study of a contemporary phenomenon as defined by Yin, 2009. This phenomenon occurs in a real-life context over which I, as the researcher and consultant, have less control than I would like. I certainly do not have control over the behavioural events that will shape the case or *unit of study* (Yin, 2018). In a critical review of qualitative case study reports, Hyett et al (2014, pg 1) propose that "the case is an object to be studied for an identified reason that is peculiar or particular," and can be defined by the interest in the case rather than methods employed. Stake (1995, pp. xi–xii) ads that it is 'intended to capture the complexity of the object of study using a palette of methods." These methods will make use of naturally occurring sources of knowledge and opportunities to gather them (Stake, 1998). Allowing for multiple methods of data

collection and analysis to explore, develop and understand the case as shaped by context and emergent data (Stake, 1995).

My research question starts with *how* and I suspect that the boundaries between context and phenomenon will be porous and unclear given that we are starting with a project that will be shaped by employees of the organisation over time. It is expected that their influence on this project will be shaped by the environment and context in which they make decisions about it.

This contrasts with other definitions of case study research such as that of a *bounded entity* (Merriam, 1998; Smith, 1978 and Quinlan, 2011,) that should be enquired into as an object rather than a process. Whilst it does focus on a particular programme that could possibly be cordoned off from other programmes in the organisation, it cannot be studied at a point in time, its developmental trajectory is unknown as we start out and it may merge with other phenomena in the organisation. Measurement will also not be solely under my control as the researcher but will be significantly impacted by the program sponsors and the passage of time that will see this project subsumed into larger and more impactful organisational priorities. Even at the end, as I write up this account, I still do not know the final shape of it and its impact. Over the last 3 years, I have learned to sit comfortably in this ambiguity in which I accept that my role has been to plant the various seeds of this project firmly in theory and my own professional knowledge and experience, allowing the roots and branches to spread in a way that is unique and authentic to the host organisation.

Both Schramm (1971) and Yin (2018) suggest that the essence of a case study is to illuminate a set of decisions, when and how they were taken and their outcomes. Notwithstanding that my enquiry is about decision making, it specifically explores the decisions that were taken in the creation of an ethical decision-making system for ABC Pharma. We started with looking at the decision to engage in the project and drill down into the 'actual challenge we are solving' promoting a decision around the objectives for the programme. With clear objectives, I had to make a series of decisions around what theoretical foundation would best meet them and create an environment that allowed the system to be adaptive and responsive to organisational needs. This also allowed me to forge a "theoretical proposition to guide data collection and analysis*"* (Yin, 2018, pp.15). In deciding which literature to operationalise, I found myself exploring the analogy of a conductor experimenting with an orchestra. Listening critically to what is both said and unsaid in meetings and inviting in different subject areas in response to these different cues, to ultimately shape the delivery of a decision-making system (the Guidelines) that does

not sit neatly in any one field. I would also help the organisation interpret the system so that it is implemented in the way that it was intended to be used and is not taken out of context and so unlikely to succeed. These required many decisions on my behalf and others concerning implementation that I was not be privy to. I would also have to leave them with a 'music score' that they understand and can play together so that the sound rings true to the initial vision.

This would require an intensive approach (Swanborn, 2010) allowing the phenomena to be studied in its own context and in great detail collected through multiple sources of information. Monitoring these sources of information over time to create a richer study of the phenomenon allowing me to describe and explain its history, the changes I observe and its complex structure (Swanborn, 2010) alongside my interaction with it.

Rigour and reliability

How have I addressed rigour and reliability in this interpretivist case study given that case study research can be lacking in these (Yin, 2018)? As you will see I have elicited multiple perspectives that promote different angles of view into what I am studying. Not to use these as multiple sources of evidence as preferred by Yin (2018) but rather learning from the differences between them, trying to understand how these differences arise and then reasoning through how they should or did influence the decisions that were made and how these impacted the product we developed. This was a dialectic process facilitated by decision making and critical thinking theory as well as my practice-based knowledge as a consultant in this field. My hope is that the transparency in this dialectic discourse is evidence of the rigour applied throughout my enquiry.

Within this case study I have employed journaling, critical reflection, observation, interviews and analysis to gather qualitative data plus a final piece of research that will gather quantitative data but is beyond the scope of this phase of the enquiry. When it came to methods to interpret data, I have created a pastiche of various data interpretation methods as explained later and listed below:

List of methods used in this case study:
- Thick description
- Critical reflection
- Focus groups
- Observation and analysis

- Questionnaires to collect qualitative and quantitative information using quantitative narrative research methods
- Elements of naturalistic enquiry

Navigating the stages of the project and client enquiry as they occur in this thesis

The client project and the academic enquiry occur synchronously. I chose not to separate them as they form a symbiotic bond where the client project provides context for the academic enquiry whilst the reflective practice, literature reviews and structure of the academic enquiry are instrumental in furthering that context and providing depth, breadth and direction to the project. Below I offer several navigational tools to serve as guidance to each of these as they occur within this single narrative.

1. The first such tool is the 'fishbone' diagram (below). It serves as a high-level timeline and summary of the activities that occurred in parts 1 through 4 of this thesis. The blue blocks on the top summarise activities undertaken as part of the **client project in each part**. The grey blocks below summaries activities undertaken as part of the **academic enquiry** in each part. The timeline progresses from part 1 to part 4 as indicated.

Client project activities completed in Part 1

Stakeholder meetings to establish context and motivation for the project

Introduction to the project's **working group** and project **governance**

Client project activities completed in Part 2

Focus groups to explore and understand decision making and ethical language used by employees

Finalisation of **Initial brief, objectives** and **positioning** of the EDM Guidelines within their current Patient Value Model

Client project activities completed in Part 3

Literature, initial research findings and practice are **combined** to **create** the **Ethical Decision-Making Guidelines**

The Guidelines are **mapped** back to stakeholder requirements and learnings from the literature

The Guidelines are **beta tested** by the executive committee

Client project activities completed in Part 3

Showcasing the impact the enquiring has had on practice

START HERE | **TIME LINE** | **Part 1 of Thesis** | **Part 2 of Thesis** | **Part 3 of Thesis** | **Part 4 of Thesis**

Establishing research context of 'big pharma' and research partner ABC Pharma

Establishing epistemological position

Exploring case study research containing missed methods

Noting audiences to this enquiry & communities of Practice

Introducing my personal and professional context as a decision-making consultant

Exploring ethics literature

Exploring my context as embedded researcher

Literature review on effective business codes and trust

Literature review on decision making best practice

Extracting **learnings** from beta testing the Guidelines

Reflections on progress and learnings

Questionnaire-based **research** to inform the rollout of the Guidelines

Synthesis and positioning within the literature on behavioural decision making

Exploring if the enquiry met the set objectives and aims and fulfilled its purpose

Showcasing the impact the enquiring has had on practice

Describing what others can learn from the enquiry

Summarising contribution and implications for further research

Research activities completed in Part 1

Research activities completed in Part 2

Research activities completed in Part 3

Research activities completed in Part 4

ACTIVITIES IN THE ACADEMIC ENQUIRY

Navigating the client project

As the researcher, writer and conductor, my voice will be the loudest, my thoughts the most frequently communicated and my judgement the most definitive. Yet, I am not studying myself but rather studying this phenomenon through my role within in. Spanning two years, the client project in this case study is expansive and multifaceted. As a result, I have had to selectively zoom in on specific activities within the project to form the basis of my academic enquiry. I have chosen those activities that have had the greatest impact on my professional practice as well as those activities that had the greatest and most immediate impact on the client organisation.

The table below represents the entire **client** project. Not every phase will be explored in detail in this enquiry, but it is important that they are all represented to understand the scope and context of the phenomena under study. Whilst I played a part in each of the seven phases, this enquiry focusses on phases 1, 2 and 4. Phase 7 occurs beyond the initial scope of this enquiry and will be its postscript and further my contribution to my community of practice.

Each phase informs the objectives of the next phase and so will end with its impact on the latter. Where appropriate I will also link sections back to the objectives of this enquiry set upfront in Part 1. Not to be confused with the objectives for the design and delivery of the client project.

In **Figure 1** below, I detail each phase of the **client project** with steps taken and the outcomes to them. Each step and outcome bullet point is linked to the section in the thesis that explores that particular topic. Please click on the link to be taken through to that section to allow for easy navigation through the client project. Any major artefacts created in that section is further highlighted in the final white boxes, again with a link to it.

Thereafter I expand upon each phase of the client project with a summary of what was done, what that produced and how it informed the next stage of the client project.

Figure 1.2 – Visual mapping of activities in the client project (Navigation Tool)

	1. The Challenge	2. Creation of EDM Guidelines	3. Internal Readiness	4. Research	5. EDM Coaching	6. Rollout	7. Measurement
STEPS TAKEN	- Initial brief - White paper - Stakeholder meetings - Focus groups to explore and understand DM and ethical language used by employees and also to create engagement and buy in	- Reflection on brief - Literature review - Crafting of guidelines - Stakeholder meetings - V1 to V4 of guidelines proposed for review testing	- Internal readiness assessed - Internal readiness actions mapped - Awareness programme scoped and designed - Reflection - EDM Guidelines assessed externally	- Research questionnaires to understand current EDM geographically and by seniority as well as the role and standing of E&C partners - Design thinking initiative to promote engagement & generate ideas	- EDM coach Profile created internally - EDM Coaching methodology designed - EDM Coach training designed - EDM coach training piloted - Feedback incorporated	- Mapping of entire project to date - Using previous research to generate a learning framework, actions & outcomes along with DUKE CE - Scoping the rollout and project management requirements	- Questionnaires and interviews to measure the potential and actual effectiveness of the firm's journey towards an Ethical Mindset including the use of the EDM Guidelines and the impact of their rollout
OUTCOMES	- Established workgroups - Clear terminology - Clear aims and objectives - Clear buy in	- EDM Guidelines approved by ExCom - Beta-testing application and process created - Beta-test complete - Feedback incorporated	- Awareness Programme launched - Library of Ethical dilemmas launched - Feedback gathered from awareness sessions Reflections to help inform next steps	- Research results presented and used to inform rollout design and EDM coaching. - Results also used to update the E&C function to ensure credibility in EDM.	- First wave of EDM coaches selected & trained - Feedback incorporated - Ongoing coaching support and supervision established and commenced	- Rollout with a mix of online, offline and group learning with engagement and behavioural change metrics	- Research report and thesis - Client briefings - Journal articles - Companion book
ARTEFACTS (if any)	Diagnostic Workshop Outline	EDM Guidelines	Questionnaire to inform the rollout of the Guidelines			Proposed Rollout Strategy	

Included in thesis   NOT Included in thesis   Occurred simultaneously & Iteratively

Presentation of the case study

Relating phases 1-7 to this enquiry

Figure 1.3 – Client Project Phases - Summary

<u>Phase 1</u> explores the challenge as presented by the client. How we went about refining requirements (purpose, aims and objectives) for the project and established organisation-wide buy in and support.

<u>Phase 2</u> explores the process I undertook to meet the first and most substantial part of the challenge, which was to create the Ethical Decision-Making (EDM) Guidelines (The Guidelines) that would be the starting point and main tool used in the journey towards creating an ethical mindset within the organisation.

<u>Phase 3</u> occurred concurrently with phase 4 and includes internal reflection and research that was taken by the team responsible for the rollout of these Guidelines. This is only briefly explored in this enquiry through research conducted. Where they sufficiently credible and capable of delivering this large project? It also includes activities undertaken to plant seeds within the organisation and prepare leaders for the change that was afoot, all the while taking on feedback to refine the Guidelines.

<u>Phase 4</u> chronicles the first formal round of research looking to understand current ethical decision-making practices and the relationship between the ethics and compliance function and the rest of the organisation. This supported the internal reflection taken in Chapter 3. Informed by parts 3 and 4, the creation of an Ethical Decision-Making Coaching framework occurred in Phase 5. Whilst this is not covered in this enquiry it has led to the creation of a standalone decision coaching product in conjunction with another large global food and beverage client.

<u>Phase 6</u> was also informed by the research conducted in phase 4 and includes the rollout of the EDM Guidelines to the wider organisation. Alongside integrated metrics and baseline measurements.

<u>Phase 7</u> concludes with pulling together the various strands of tactical measurements undertaken throughout the rollout to help us decide how effective the Guidelines and their rollout were in achieving the *Aims and Objectives.*

Navigating the academic enquiry

This enquiry takes the form of a narrative in which chapters of consultative client work (following the order described above) are held together by my critical reflections. Within these I refer to 'we' and 'I'. For clarity, 'we' represents the various and changing members of the client's project team and myself. 'I' will refer to work completed, or suggestions made by me alone.
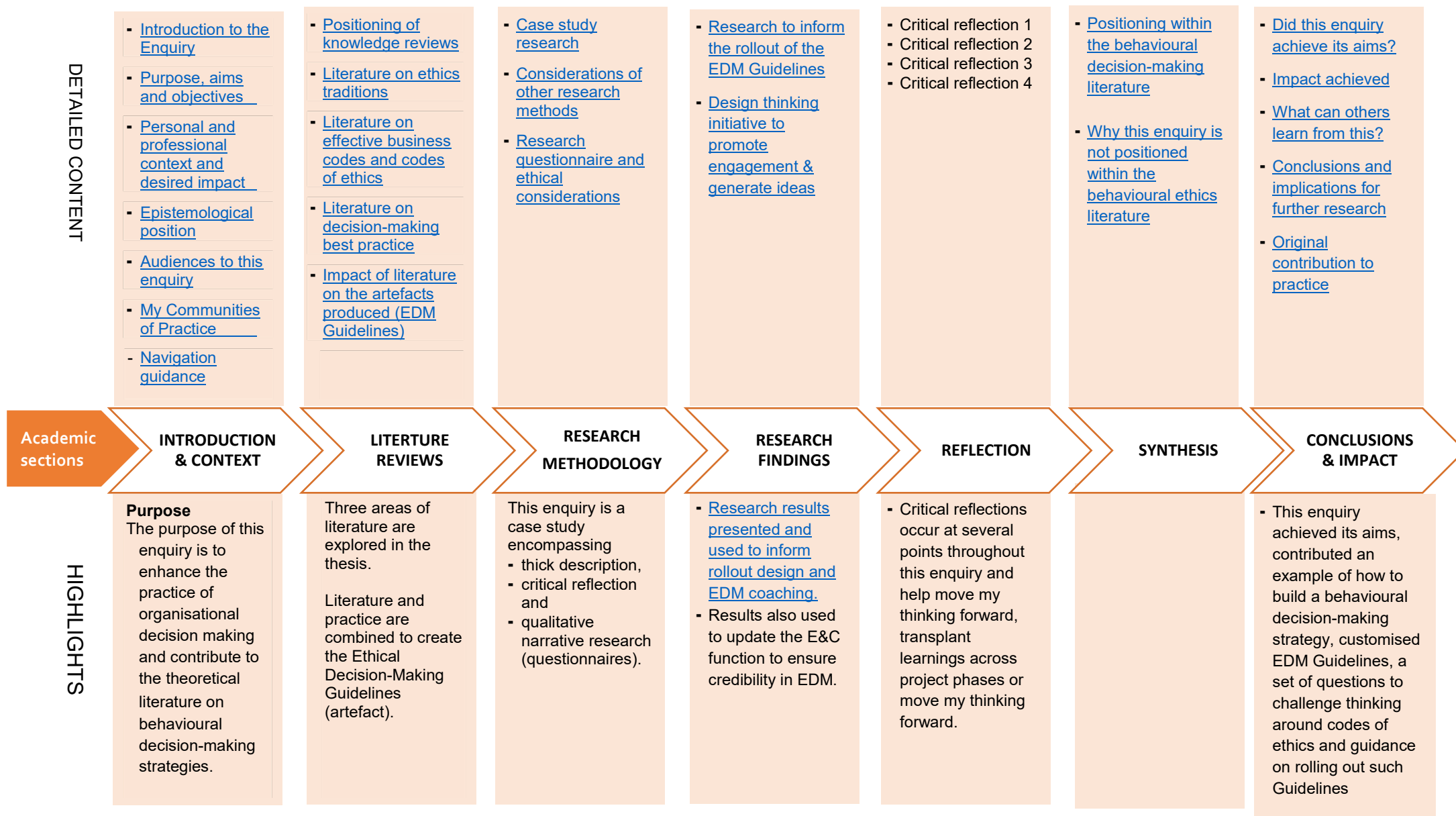
In reviewing a draft of this thesis, Dr Kate Maguire likened it to, "… an abundant forest with closely packed delights," and encouraged me to carefully map the terrain so that different audiences can navigate to those sections that are of most value to them. To facilitate navigation, I have divided this document into four parts that may be of interest to different audiences.

Table 1.2 – How to navigate the four parts of this thesis for different audiences - expanded

Part	Content	Audience
1	Sets the context for this thesis by introducing the academic enquiry, the client with whom the research project was carried out and the industry within which it is situated as well as the initial project briefing from the client.	This section would primarily be of interest to an **academic** audience. Professionals may find this of interest, too.
2	Research to inform the creation of artefacts. A practical exploration of navigating projects with multiple stakeholders and the importance of creating clarity around objectives. How academic literature can inform and shape a project from the outset. It explores my experience of trying to create a reflective environment in a busy project team and guiding them to use decision-making best practice as a team.	Apart from an **academic** audience, this would be of interest to **professional** audiences interested in the intersection of ethics and decision making as well as using literature to ground initial project discussions in.
3	Informed by the learnings from Part 2, Part 3.1 is a cross disciplinary exploration of the literature culminating in the creation of practical EDM guidelines as an artefact of particular interest to the client, ABC Pharma, but perhaps also the other audiences to this enquiry. Part 3.2 covers a research project to help inform the rollout of the Guidelines that would again be of interest to all audiences.	**All** audiences
4	Part 4 is a traditional synthesis of this work into an existing body of academic work with implications for further research and impacts on these various audiences.	Mostly an **academic** audience.

To further aid navigation through this thesis, and as a complement to the mapping of the client project, below I highlight the positioning of the research activities in this enquiry. They do not occur as discreet chapters but are spread throughout the client project and enquiry. Again, please click on the links to be taken directly to each section.

Figure 2 – Visual mapping of the activities in the academic enquiry (Navigation Tool)

DETAILED CONTENT

INTRODUCTION & CONTEXT
- Introduction to the Enquiry
- Purpose, aims and objectives
- Personal and professional context and desired impact
- Epistemological position
- Audiences to this enquiry
- My Communities of Practice
- Navigation guidance

LITERTURE REVIEWS
- Positioning of knowledge reviews
- Literature on ethics traditions
- Literature on effective business codes and codes of ethics
- Literature on decision-making best practice
- Impact of literature on the artefacts produced (EDM Guidelines)

RESEARCH METHODOLOGY
- Case study research
- Considerations of other research methods
- Research questionnaire and ethical considerations

RESEARCH FINDINGS
- Research to inform the rollout of the EDM Guidelines
- Design thinking initiative to promote engagement & generate ideas

REFLECTION
- Critical reflection 1
- Critical reflection 2
- Critical reflection 3
- Critical reflection 4

SYNTHESIS
- Positioning within the behavioural decision-making literature
- Why this enquiry is not positioned within the behavioural ethics literature

CONCLUSIONS & IMPACT
- Did this enquiry achieve its aims?
- Impact achieved
- What can others learn from this?
- Conclusions and implications for further research
- Original contribution to practice

Academic sections

HIGHLIGHTS

INTRODUCTION & CONTEXT

Purpose
The purpose of this enquiry is to enhance the practice of organisational decision making and contribute to the theoretical literature on behavioural decision-making strategies.

LITERTURE REVIEWS

Three areas of literature are explored in the thesis.

Literature and practice are combined to create the Ethical Decision-Making Guidelines (artefact).

RESEARCH METHODOLOGY

This enquiry is a case study encompassing
- thick description,
- critical reflection and
- qualitative narrative research (questionnaires).

RESEARCH FINDINGS
- Research results presented and used to inform rollout design and EDM coaching.
- Results also used to update the E&C function to ensure credibility in EDM.

REFLECTION
- Critical reflections occur at several points throughout this enquiry and help move my thinking forward, transplant learnings across project phases or move my thinking forward.

CONCLUSIONS & IMPACT
- This enquiry achieved its aims, contributed an example of how to build a behavioural decision-making strategy, customised EDM Guidelines, a set of questions to challenge thinking around codes of ethics and guidance on rolling out such Guidelines

Positioning of the knowledge reviews

Literature of various kinds permeates this case study. Before I even considered undertaking a doctorate, I relied on academic literature to inform my practice and the products I built for clients. With experience, I was able to blend theoretical knowledge and practical knowing into my offerings.

As I had had no formal experience with corporate ethics before I began, I had to dive into this literature to explore synergies between decision making and ethical decision making. I do not explore the literature on ethics as fully as I do on decision making because the client did not want an existing ethical decision-making model or code as they found none of them suitable for the environment in which they operated. This was their decision and there was little justification to recreate their in-depth exploration of existing ethical decision-making practices. In fact, maintaining this ignorance meant that I was able to create something that hadn't been influenced or framed by existing strategies. It later become clear that the role of these Guidelines would not only be to guide *ethical* decision making but *all* decision making in an attempt to ensure sustainability of their organisation, as illustrated by a senior leader that *all strategic decisions that we make as an organisation, not just a biopharma, have an ethical component. We really cannot separate decision making and ethical decision making.* This alternative positioning and larger remit of the Guidelines was a direct result of their initial success and will be explored towards the end of this thesis.

The first exploration of literature in this enquiry covers my own truncated introduction to ethics and the impact it had on our initial discussions, observations and measurements. The second reviews and challenges the layman's understanding of good decision making. It mirrors the process I undertook to extract a best practice decision-making model from a wide range of subject areas that impact on decision making. The latter forms the academic foundation of all the work that I do - including this enquiry. Literature on the implementation of business codes was also explored in an attempt to understand what works and what does not in implementing such codes.

Positioning of measurement in the case study

Early on it became clear that there was little appetite for a large in-depth study, either quantitative or qualitative. As a Pharma company, populated with PhD's and research scientists

they also knew that there were other ways of extracting data. This was not going to be a project for a lazy researcher.

- Learnings from two diagnostic workshops are presented in part 2 of the case study to help inform the purpose, aims and objectives of the Guidelines we were going to build.

- Later on, more formal measurement was used to understand existing ethical decision-making practices, the role of the ethics and compliance function in day-to-day decision making of staff and how best to roll out the Guidelines so that they were well received and achieved their aims.

- Measurement is then conducted on the organisation wide rollout of the Guidelines using a variety of tactical data gathering methods to explore effectiveness and the impact of the Guidelines and their rollout. Whilst the methodology for these measurements was my responsibility, the results and their interpretation will fall outside of this enquiry due to an internal reorganisation at ABC that delayed this project by several months. When complete, I will be required to present them to the project sponsor and hope to publish these findings separately and possibly, introduce them in my viva.

This concludes the introduction, context setting and navigation guidance for this thesis.

Part 2

Part 2 covers the initial activities of the project team working towards the creation of ethical decision-making guidelines and my critical reflections on these. However, it begins with my exploration of ethical traditions undertaken to address my lack of knowledge in this area, in preparation of working on this project.

2.1 The Case Study

A micro history of ethics traditions

I knew so little about ethics that, before I could explore organisational ethics, I would need to go right back to basics. Unknowingly at the time, this helped me tackle the first challenge that the workgroup and I faced.

In *A Short History of Ethics*, Alasdair MacIntyre (1998) summarises ethics as a branch of philosophy that examines moral behaviour, moral concepts (such as justice, virtue, duty) and moral language. He explains how various ethical theories attempt to define the nature of the *greatest good* supported by requisite behaviours for individuals and groups that are closely related to forms of life in various social orders.

An exploration of these early moral concepts started with the myths used to explain the origins of moral behaviour such as the Sun God gifting the Code of Hammurabi[8] to the ancient Babylonians, God gifting Moses the 10 Commandments on Mt Sinai to Plato describing how Zeus took pity on fragile humans who were no match for the other beasts and so gave them a sense of morality and the capacity for justice that would enable them to live in larger communities and co-operate (Singer, 2020). What made these foundational in ethics is that they attempted to address the central question of ancient ethics namely "How can I be happy?" I learned that this 'happiness' was not a mood or fleeting affective state but rather what scholars call "human flourishing." Thus, the question can be translated as "How can I live a good life?" and the answer proposed by mythical traditions was "by means of virtue" (Meinwald, 1991). *Virtue* being the path to the *highest or greatest good*.

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[8] Dated to about 1754BC and enacted by the 6th Babylonian King, Hammurabi, the Code is a well-preserved account of the required code of conduct of ancient Mesopotamia. An eye-for-an-eye, a too-for-a-tooth originate in its writings as fair and just punishment.

Philosophers later waded in on what such a path of virtue could entail. In Plato's Republic, Socrates is reported (controversially) to develop the view that being a *good person in an ethical sense involves achieving internal harmony of the parts of the soul* a.k.a. *The Good Soul* (Frede, 2018). Aristotle's ethics focussed on *The Great Soul* where the highest good was found in achieving *eudaimonia* translated variously as *success*, *happiness* or *flourishing*. Like Plato, he emphasised that moral life was underpinned by virtues and in particular the virtues of courage, justice, prudence and temperance with intellectual activity being the greatest contributor to attaining a *Great Soul* (Urmson, 1988).

The Stoics, too, perceived the greatest good as not pleasure but reason and such reason the path to a life free from anguish or suffering. Whilst all these Greek Philosophers proposed that virtues were the path to a good life, they did not necessarily agree on what those virtues were or how that life should be expressed (Annas, 1993).

I found this all fascinating, but apart from feeding my own interest in the development of human beliefs, I couldn't help but wonder if any of it was relevant in any way to my enquiry and specifically, the project of building an ethical decision-making tool for ABC Pharma. I certainly would not discuss any of this in conversation with them or even in the *ethics 101* document they asked me to prepare as it simply did not seem useful to a contemporary, corporate audience.

Serendipitously the relevance soon became clear as we embarked on the project and the many conversations that followed about what it meant to '*do the right thing*' at ABC Pharma. The initial 2017 white paper published internally to gain support for the project made this the centrepiece of their strategy. Before I joined the project, the agreed upon definition of *ethics* at ABC Pharma was "doing the right thing" as explained below in an extract.

Compliance – "doing things right;" complying with rules and requirements defined by others (laws, industry codes) and ABC's standards; while the rules provide guidance on doing things right, they do not address morality of actions
Ethics – "doing the right thing;" principles and values guiding decisions from a moral standpoint; these serve as guides to do the right things and are the foundations of the rules and requirements

There was no agreement on what it meant *to do the right thing,* yet everyone in the team used this phrase in one way or another. I noticed that different nationalities also approached this topic differently. An American colleague in a senior legal position told me that "one simply knows what is right or wrong and someone who does not should not work at ABC Pharma" and therefore there was no need to stipulate it whilst others, especially more junior and non-Western colleagues felt less confident in knowing exactly what was expected of them within the organisation and that more guidance would be valuable, especially in areas where the answers to *what is the right thing to do* was not immediately clear.

ABC Pharma had an extensive compliance code plus a set of fairly generic values (innovation, accountability, integrity, entrepreneurship etc) but re-introducing these was controversial as they had been silenced (not removed entirely) for a patient-value-focussed set of behaviours that this EDM project would complement. Even though we were building an ethical decision-making strategy we couldn't gloss over the requirement for an ethical statement offering "principles and values guiding decisions from a moral standpoint" *(EDM@ABC Whitepaper, 2017).* Such a statement would also be foundational in expressing ABC's ethical values to stakeholders and so help to build trust (Hoover and Pepper, 2015). Putting values aside for the moment, I turned to the principles that would guide decisions from a moral standpoint hoping, unlike the Greek philosophers, to find some agreement on what these should be for ABC Pharma.

At the turn of the 17th century, Prussian German Philosopher, Immanuel Kant argued that happiness should not rest on ethical thoughts and actions (i.e. virtues) as these should be universal, whilst the former may result from different ways of life for different people. To this end he proposed the principle of *universalisability* suggesting that an action is morally acceptable if it can be universalised (Richardson, 2018).

Perhaps *universalisability* could be a way of defining the right thing to do at ABC pharma? If everybody took a certain action, would it harm or benefit the organisation? Their patient value guidelines mandated that the creation of patient value had to be at the heart of all their activities. If everything was done to the benefit of their patients, then surely, they would be doing the right thing? In stress testing this the workgroup soon realised that continuously serving one stakeholder above all others was not commercially sustainable. There were also real challenges in recognising and resolving trade-offs between different patient populations. Perhaps the needs of smaller groups of patients had to be secondary for the benefit of a much

larger group or even the other way around when one group had a better chance of recovery or quality of life? How could an ethics statement help us resolve such dilemmas?

To me, Kant's decoupling of morality and happiness is the first step towards the development of corporate ethics. But if the return to doing the right thing is not happiness, what should we rather be striving for then? Actions that everyone could adopt or *universalisability* was not going to work. In continuously circling back to the question; *What is the point of ethical decision making at ABC,* we still felt that making a business case for it was more than showing how it would reduce legal investigations and non-compliance and make ABC Pharma a more attractive option for young scientists and other graduates. We needed to show its value as a tool to highlight what was the right thing to do as expressed in the white paper.

Kant's caution against *heteronomy* (without moral guidance there is a risk that decision makers act in accordance with their own desires rather than reason or moral duty) also reminded us that we should keep searching for the holy grail of doing the right thing at ABC Pharma.
So, we turned to other organisations and what theories and ideas were embraced in their ethics statements. According to Schwartz (2005) an ethics statement is "a written, distinct and formal document which consists of moral standards that help guide employee or corporate behaviours" (pg. 27).

A 1984 study by Sanderson and Varner showed that for those fortune 500 companies that had ethics codes, they were largely "rules based on laws" (pg. 29). Today these would be called *codes of compliance or conduct* setting out legal and acceptable standards of behaviour such as compliance with applicable laws. They would not necessarily embody values or company ethos but would define the sense of duty that all employees should shoulder. Pepper and Hoover (2015) found these to be consistent with normative deontological ethics addressing questions of how we should act and be judged for our actions rather than or complementary to virtue ethics theories that explore what it means to be a good person and how to assess that.

Derived from the Greek for the *study of duty,* deontological ethics is overwhelmingly Kantian in its philosophical approach. As a normative theory it provides guidance for what we should do and for assessing our actions rather than guiding and assessing our virtues. It also prescribes assessment at the point of action rather than looking at the consequences of our actions. Here the moral quality of an action is found in the principles underlying it rather than in how it affects others. These principles should be so consistent with voluntary actions of others that

they can be seen as universal laws (universalisability*)*. Guidance that employees should not be judged on - and therefore not be held accountable for - the results or consequences of their actions or decisions would also not have served ABC Pharma very well.

Part of the reason they embarked on this project was because they had begun to question whether a decision that was legally acceptable was automatically ethically justifiable to all their stakeholders (like economically excessive high prices)? In the same way, taking any action in which they did not thoroughly explore the consequences would never be acceptable in a science led organisation especially given the duty of care that they already had to their patients and colleagues. This duty could have been seen as a *good* in and of itself, yet there were many grey areas in which decision makers would be dealing with conflicting responsibilities to different stakeholders in which they still needed ethical guidance.

In contrast to this approach but also in the field of normative ethics, teleontological ethics (more commonly known as consequentialism) is goal or purpose orientated (telos is Greek for *end* or *purpose*). Here, how ethical or good an action is depends on the consequences it achieves. A form of teleontological ethics, utilitarianism, considers what would be the greatest good for the greatest number of people. As a framework for corporate decision making this has proven very popular (Fritzsche and Becker, 1984; Premeaux, 2004) as it is consistent with a cost benefit analysis focus on profitability (Hoover and Pepper, 2015). Superlative growth in corporate profits and executive pay over the last 20 years bears out its success as a corporate ethos where the aim of the organisation has typically been to generate financial value to shareholders.

Making more money for shareholders was not the objective of this project. I have no doubt that losing money or making less was not either. I knew through my work in critical thinking and decision making that a decision should not be judged by examining the consequences of that decision nor the decision itself but rather the process underlying it (more on this later). Given this, neither of these normative ethics theories seemed particularly useful as a standalone foundation on which to build an ethical *decision-making* strategy.

One member of the workgroup had been a medical professional before and he suggested the Ethics of Care framework (Gilligan 1982; Noddings 2003) in which the human condition and interpersonal connectedness are foundational to the virtue of care or benevolence for others. Gilligan (1982) suggested that connectedness and benevolence take precedence over logic or

reason in contrast to deontological or consequentialist theories. Virtues ethics was not mentioned in any papers on corporate ethics that I read. This is unremarkable given its focus on *being* rather than *doing* and on a person's whole life rather than mere instances of life such as isolated decisions or actions. Recommended virtues differ across cultures and time periods with no general agreement on what they are. To this end, it is relatively uncontroversial to suggest that Chinese Confucianism also introduces ethics primarily in terms of virtues and corresponding ideals of the person (Wong, 2018*)*. Albeit that these ideas and virtues occur within relationships characterised by mutual care and respect (Wong, 2018) so these can be considered relative and not absolute virtues - although this seems to be a controversial topic amongst scholars. I found this interesting as in no way did we want to dictate a way of being for employees at ABC. However, according to ABC's own definitions of *trust, respect and transparency,* it was clear that there was a way of being that was valued, and all these centred on relationships between employees or employees and other stakeholders.

The more we looked into this philosophy the more it resonated with our workgroup as well as non-western participants. To be clear, we did not speak of the *ethics of care* specifically but rather the principles that it embodied as a compelling addition to mainstream ethics traditions. The working principles were (Gilligan, 1982):

- Human beings are interdependent with varying degrees of dependence on one another.
- Those impacted by our choices deserve consideration in our reasoning.
- Safeguarding and promoting the interests of those involved is context dependent.

Ethicist and psychologist, Carol Gilligan, developed the ethics of care (or care ethics) in response to Kohlberg stages of moral development, which she considered a masculine perspective on morality. Gilligan also pointed out that applying generalised standards to moral dilemmas can lead to indifference or bounded morality. This focus from generalised to personalised ethics is reflected by asking the question, "how to respond to a dilemma?" rather than asking, "what is just?" (Gilligan, 2008).

Philosopher Nel Noddings later proposed a comprehensive theory of care within which *care* was the foundation of morality (Dunn and Burton, 2013). Where the relationships we have with others influence our identity. Within these relationships caring is a universal, human attribute and so is ethically basic to us all. Because caring is universal, care ethics is not subject to

ethical or moral relativism because caring and being cared for are understood and foundational across all cultures.

Care can also not be labelled as an Aristotlean virtue because it occurs within a relationship where the one caring considers the point of view of the one being cared for and uses that to better inform the care provided to ultimately promote the well-being of the cared for. Thus care ethics is not emotional but rather involves consideration and a desire to improve current conditions.

 The latter should be innate in any person who considers themselves a moral caring person. However, one cannot adopt the burden of care towards everybody, including strangers, as then the ability to care for oneself diminishes significantly. A balance should be maintained. This balance would influence our stakeholder considerations in the EDM model that we would go on to create. Specifically around what the impact of decisions would be on various stakeholders including ABC Pharma itself. Popularly used as decision-making guidance in care-based professions such as nursing, this was clearly well suited to a pharmaceutical company that wanted to build trust with its stakeholders, some of whom were vulnerable, with the ultimate goal of being trusted to make patients' lives better.

Because it isn't rules based and doesn't dictate a universal way of *doing the right thing*, the popularity of care ethics is growing and today its principles are widely applied to a number of moral issues such as animal and environmental protections, bioethics, and public policy (Hamington and Miller, 2006.)

Despite being well defined and prominent in business textbooks, ethics theories are seldom specifically reference in commercial discussions or even unspoken thoughts of decision makers, yet when faced with ethical dilemmas, these decision makers are forced to choose (either explicitly or implicit) the principles or values upon which their choice will be based (Kujala *et al*, 2011). Hunt and Vitell (1986) and Ferrell *et al* (1989) found that the practice of ethical decision making was not underscored by one particular philosophical approach but rather several that fitted the dilemma and situation. This is in line with the contextualist school within behavioural decision making where a convergence of sense and meaning, derived from the unique context of each problem domain (Weick, 1995) allows the decision maker to judge a decision as right or wrong given what made the most sense in context. Behavioural decision strategies will be explored later when positioning this work within existing knowledge.

In a study of the ethics codes of Fortune Magazine's 2009 list of 100 Best companies to work for Hoover and Pepper (2015) found that, of the 93 available codes 28 used a single ethics framework, 32 used 2 and 33 utilised all three of deontological, teleontological and the ethics of care. Where more than one framework was present, deontological was the most prevalent at 40% with ethics of care at 33% with this pairing also the most prevalent.

We, too, took a selective approach to these theories allowing us to put aside the feminine vs masculine dimension or the fact that care ethics was not compatible with utilitarianism where the few could be sacrificed for the greater good. We liked that actions should originate in compassion not a sense of duty, rights or justice. However, given that actions are preceded by thoughts filtered through our frames and mental models and that employees in ABC we not free to dismiss duty, rights or justice we adapted this sentiment to *our thinking* should originate in compassion. If this compassion was *the care we showed to others*, we wanted to understand the impact of our decision making on others and specifically ABC's stakeholders. This led me to the following questions:

- Everyone at ABC is dependent on the behaviours and decisions of their colleagues. What duty do we have to each other in our decision making?
- "When I am vulnerable, can I trust you?" ABC's decisions impact patients and other vulnerable stakeholders including the families of patients, underrepresented patient populations as well as the environment and the sustainability of the organisation.
- How can we ensure that all stakeholders are identified in our decision making?
- Once identified, how could we consider these perspectives in our decision making?
- In order to build trust between stakeholders, we believe that it should be apparent that we consider those affected by a decision and how we do so. How can we facilitate this transparency and make it easier to have discussions about ethical dilemmas before we make decisions?

With these questions in mind and a curiosity to see if our colleagues shared our initial thinking on "what was the right thing to do" at ABC Pharma, we designed the first workshop to tease out their moral DNA (Steare, 2009) and see if any of these philosophies were dominant in their thinking and decision making.

I had begun to form an idea that perhaps the Holy Grail of *doing the right thing at ABC Pharma* was not the application of a value or virtue but rather a process that begins with compassion and allows for the consideration of various stakeholders in a transparent decision-making process that invites discussion and challenge to make the best possible decision under the circumstances.

Expanding the initial brief from the client

My notes show that, as discussions progressed, a view emerged that this project could have greater impact than previously envisaged in obtaining one of their strategic ambitions of producing 'performance with integrity' and an accompanying reputation for being an ethical company. Discussions expanded into what they believed where the requirements for the latter as listed below:

- an ethical culture is needed to drive ethical decision making, especially in unprecedented areas where compliance was unable to provide guidance
- fostering an ethical culture is preferred over implementing yet another set of rules (or pithy *in-the-moment contemplation tool*) in a procedures and compliance heavy organisation
- what is ethical for one person might not be for another and so, if an ethical culture is built through shared values, these would need to be defined, communicated and accepted in order to be 'shared'
- at this stage there was much talk about how to build ethical muscles and beginning a journey towards creating an ethical mindset.

Whilst the initial brief (an in-the-moment contemplation tool with a few questions) would have created a tool to assist in the development of a formalised ethical culture, what if this tool could instead be the catalyst that ignites an ethical mindset in employees around the world through introducing ethics specific language and guide ways of reasonings and relating to one another? Engaging employees at all levels in debates about corporate ethics and where ABC stands on many of the industry specific ethical debates and to showcase the difficulties and successes faced in trying to 'do the right thing'? In short, developing an ethical mindset to complement and support their intense focus on the patient was a desirable strategy. It seems we had been thinking too small and so adjusted our expectations for the upcoming workshops as we realised the increased potential of this project.

Of course, as a consultant with an understanding of how powerful behavioural decision strategies can be, I certainly played an active part in broadening the horizons of the workgroup and offering my theory as to what doing the right thing at ABC could really mean.

From these further discussions, we upgraded what we thought was possible from this initiative in the following categories:

Agility

Another reason for exploring the implementation of an ethical decision-making strategy was to help the company make more agile decisions in a rapidly changing environment.

Attracting talent

It was also noted that attracting talent to the organisation without a clearly communicated ethical vision and governance structure would be harder in the future – especially as concerns millennials – who (ABC's internal research had shown) like working for companies that do good.

Challenging perception and building trust

The reputation of 'big pharma' was that ethical standards were often window dressing to distract from business aimed primarily at maximising profits. In order for this initiative to have any real impact on perception it would have to go beyond a stagnant code of conduct and nice posters in the corridors. It would have to be a living, dynamic part of the organisation's modus operandi and so had to be easy to understand and to implement, and adaptable whilst being robust in its ability to influence decision making.

Identify a dilemma and judge decisions made

There was also a need to build in a mechanism allowing one to identify an ethical dilemma and then ascertain whether a decision had been made ethically or not. This would allow us to meet my definition of "A good decision is one that does not lead to regret regardless of the outcome" (see literature review on decision making).

I also learned that this project would face some challenges initially:

- One of them would be a high-level of disbelief from the organisation regarding the fact that they were going to be entrusted with increased decision rights

- I also learnt that this project is of strategic value to the organisation and of great interest to the CEO but, initially, the project team were not sure if there was sufficient commitment from senior leaders to see this through as there are always many projects on the go at the same time competing for resources and attention in the organisation. They called it *project of the month* syndrome.

- There were already several layers of codes in the business, including a code of conduct that incorporated their values as well as a detailed business and behavioural strategy aimed at creating value for their customers by placing consideration for the patient at the centre of all decisions and actions. This had been the focus of a significant project roll-out and was deeply embedded in their way of working. Ethical decision-making had to sit within and enhance this strategy rather than positioned as a standalone initiative. As this was already a mature initiative, creating a substantial add on without creating confusion would be a significant challenge.

If all of these 'reasons' for implementing ethical decision-making guidelines sound a bit disjointed it is because it really was a very messy process from the outset. It was expansionary and iterative in serval different cycles across two different teams. We were getting to know each other, and this was my first foray into ethics and compliance, so my voice was rather small, but my ears were wide open. However, extracting the final brief from this initial scoping period was an exercise I felt well equipped to undertake as it was, in essence, guiding the teams towards making a decision. But we were not ready for that yet, we needed to diagnose the challenges that their staff faced with ethical decision making and understand what principles or values were already at the heart of what ABC believed was *the right thing to do* and for this we prepared two diagnostic workshops. The creation of these workshops is covered in section 2.2.

My reflection 1

This was an intense learning period for me. The language of Pharma, organisational colloquialisms, a variety of accents and personalities that I was getting to know largely over the phone as ABC is not UK Based. Initially, the lack of coherence around objectives and scope left me feeling insecure as to the role I was there to play and what value I could add. After being assured that having me on the team as an outside observer and advisor asking probing questions about objectives and scope was already valuable, I felt better about this and turned my attention to the full possibilities of this project. The fact that nothing would be decided until we had

actually heard from a wide range of colleagues in the diagnostic workshops was reassuring and a little unnerving as we had no idea what would come out of them. There was also no limit or predefined boundaries on what we could achieve and there was a real sense that this was not business as usual, the teams were not merely providing window dressing to create the illusion of ethicality but rather to herald an evolution in their way of servicing clients whilst ensuring their own sustainability.

2.2 Diagnostic workshops

My research bucket list held the wish for observing decision-making in action. This is something I do occasionally within client facilitation. It is an incredibly rich source of data and I hoped to further develop my interpretive skills for these situations and bring this data into my enquiry where possible.

Studying phenomena in the environment in which they occur is, of course, nothing new. In the 1920's at the University of Chicago, Robert Park ([1929]1952 in Athens, 2010) stressed the importance of exploring the world of the people that his students proposed to study. He continuously impressed upon his students that "frame of reference" adopted by a researcher had the largest impact on their research. Herbert Blumer was a student of Park and furthered his principles in developing the methods of *naturalistic enquiry* as both an alternative to positivism in sociology research and to further his perspective of symbolic interactionism (Athens, 2010) as discussed earlier.

As a method of enquiry, I am drawn to it through its approach of studying a subject in its natural setting rather than a controlled or contrived setting such as a laboratory or university where a lot of behavioural economics studies on risk and decision making are conducted. Blumer cautions against studies that focus on the product of what happens rather than exploring the "happening" (Blumer, 1962) as well as studies that explore a reconstruction of what happened. Looking at how people have acted rather than trying to predict how they will or should have acted or would have liked to act was certainly an aspiration for my enquiry and there are several elements of naturalistic enquiry that I find either worth bearing in mind or practically useful such as the initial two stages consisting of exploration and inspection later supplemented by confirmation (Athens, 2010).

In exploring the phenomena, Blumer advocates going in with an open mind and eliciting

enough first-hand knowledge to form rudimentary ideas of the issue at hand ensuring that your initial conceptual ideas are not at odds with first-hand experience. Then describe the problem based on information gathered in a naturalistic setting. But as Athens (2010) adds, "naturalistic methods are a matter of degree based on the subject of study and practical realities involved" (pg.95). Furthermore, Blumer's second stage is to develop one's initial ideas into richer concepts by comparing what is observed in the field to initial, leading ideas and then searching for negative instances. This is where it gets interesting in that one's initial concepts should be refined to the point where everything observed can fit within their explanations and if non-compliant instances are found then initial ideas should be revised or discarded. Whilst this was the initial objective, I had set some years earlier in my research proposal (2018) it seemed like I would have to focus on adapting to the practical realities involved rather than sticking rigidly to this methodology.

This proved a useful starting point for the diagnostic workshops of two 5-hour sessions held 2 days apart in September 2017 in Europe at different times to accommodate different time zones. They were attended in person where possible and via conferencing software from other regions around the world. They were hosted by the head of ethics and compliance and facilitated by me and a colleague from Duke Corporate Education. A separate workshop was held with ABC's executive committee the following day *(The ExCom meeting).* My Duke colleague and I were not present at that.

I had originally envisaged these as focus groups and so "a form of data collection where the researcher uses a group of participants in a focused discussion on the issue under investigation, designed to produce new knowledge and new insights" (Quinlan, 2011, pg 480). I could then use this information to develop initial ideas into richer concepts. However, the more we worked on the content the more I realised that I would be in the role of a facilitator not a researcher and that I did not know enough to formulate initial ideas. My primary role was to facilitate participant's understanding of the various concepts presented in an environment of psychological safety so that they might speak freely about their thoughts on the topics. We were not looking for new theoretical insights (no-one in the group was an expert in ethics) but rather uncovering existing beliefs that they held as employees and using these to arrive at a shared understanding of the present and what would be useful and acceptable to them in the future. Whilst we had a list of questions we would like to have covered, there was no agenda to work methodically through. In fact, a lack of focus was welcomed, and I was at liberty to let the

group wander off down different avenues if that is where their thoughts took them - perhaps to places that we had missed in working only within ethics and compliance teams so far.

At no point did we want these participants to feel watched, recorded or *on the record* in any way. To this end we were not going to obtain informed consent to use or publish any information gathered verbatim. The sessions would not be recorded on any media and, as the facilitator I would not be in a position to take notes as we went along. Of course, I would make notes directly afterwards and relied on the notes and summaries of my working group colleagues.

27 of 30 senior leaders accepted the invitation to attend the two workshops - this was a high number for a senior leadership group voluntarily attending a 5-hour meeting in which they would learn nothing new but rather share their own views. They represented various business functions at ABC including:

> Legal Affairs
>
> Established Brands
>
> Ethics and compliance - Americas
>
> Ethics and compliance - Global Programs
>
> Ethics and compliance - Emerging Markets and East Asia
>
> Ethics and Compliance - Global Head
>
> Neurology - North America
>
> Medical and Business Integrity
>
> Patient Value Operations
>
> Sustainability
>
> International Markets
>
> Corporate Societal Responsibility
>
> IT Patient and Stakeholder Solutions
>
> Medical Affairs and Established Brands
>
> Ethical Decision-making Steering Committee
>
> Patient Affairs
>
> Mergers and Acquisitions

This geographic and functional mix also included a good mix of personalities to ensure that the conversation would consider as many different points of views representing as many stakeholders as possible. The purpose of these workshops, as we shared with participants, was to:

- facilitate a discussion to deconstruct the issues concerning ethical decision making and the current process for decision making in ABC
- build, develop and explore a point of view about ethical decision making in ABC.

In outlining the content of the workshop, we focused on ways of creating divergent thinking to open the group up to thinking more deeply about ethics and create associations between these ideas and their own experiences. Followed by convergent thinking to explore synergies between all the ideas and discussion and funnel these into a point of view about EDM at ABC as summarised in Appendix 1: The diagnostic workshop outline.

Results and learning from the workshops

We were very careful not to frame the discussion upfront or formulate any hypotheses to test. We did not mention that we were introducing EDM guidelines as we did not want to plant ideas but rather gather views. Because we did not seek permission from participants to publish any of this information or distribute it to 3rd parties, I cannot disclose the specific information that we gathered, only aggregated data and themes alongside the influence that it has had on our further thinking and the creation of the EDM guidelines. Whist I would not consider this phenomenological research it would generate data foundational to this case study. In fact, the very existence of this case study depended on the data we gathered here and how we turned that into a business case to be approved by ABC's executive committee. It is worth noting that, at the time, four of the latter were medical doctors, four held PhD's and three had advanced degrees in engineering, law or science - from this I deduced that we would not be able to present conclusions without evidence to support our ideas and so we did focus on making sure the data was accurate and representative of the opinions expressed. Executive committee members would also expect their own views to be largely aligned with that of their senior leaders and so this would be a good test of whether we gathered data accurately and in the spirit in which it was expressed, rather than filtering it through our own lens. This lens being biased towards wanting the support required to gain approval for this project. It truly was an exercise in staying neutral!

My Reflection 2

Before the workshops, I interviewed four senior decision makers and gathered ethical dilemmas that they had encountered in their areas of decision making. Of these two were selected to be used as case studies. In my notes, I found a reflection on these interviews that went as follows:

I find it interesting that all four of these scenarios were presented to me as ethical dilemmas. Of course, we had asked for examples of ethical dilemmas and these four senior employees volunteered to share their scenarios. With only having scratched the surface of what an ethical dilemma is and having no definitive answer to use as a litmus test for it, it seems to me that at least two of these scenarios are not ethical dilemmas at all. In at least one of the interviews, the interviewee also realised this as our discussion progressed. It was an Aha! moment for him. Even in his role as legal counsel for ABC, he had misdiagnosed this scenario as an ethical dilemma because it involved vulnerable groups (with no negotiating power) subject to the decision of a large organisation who seemed to hold all the cards. The organisation proved benevolent in their decision making but in such a way that they were not significantly worse off financially through their choice but neither was the vulnerable group. Ultimately, it had been a financial decision and not a purely ethical one. At least this is what I think now. Knowing what makes a scenario <u>not</u> an ethical dilemma will also be important in deciding how we can identify true ethical dilemmas. Let's keep all these scenarios to use in these tests.

We went on to use the two scenarios that seemed most likely to be ethical dilemmas but kept an open mind as to what the participants would think.

Ultimately, we wanted to gather information that would support the adoption of EDM guidelines. This was not about understanding what the guidelines should be but rather if there was a need for them, what role they could play in organisational decision making and how they could be positioned to do so.

We began by exploring a generic and somewhat familiar 'ethical dilemma' as a warmup and to see how participants worked through it. In a hypothetical self-driving car exercise, participants were required to program a car's artificial intelligence. In an unavoidable road accident, the car must decide to swerve to protect the driver and potentially kill pedestrians or not to swerve and so kill the driver and potentially the other occupants of the car but, in so doing, spare the lives of pedestrians. The clear majority of participants chose to 'kill' the driver even if that driver was themselves. Their reasons were the same – the driver had chosen to drive a fully autonomous car and so should take ultimate responsibility for their decisions. Was this even an ethical dilemma or a case of taking responsibility for one's actions? Given this, if they were the driver, they couldn't live with themselves knowing that they had caused the death of another

person/s. When we changed the scenario to include their own children in the back seat of the car – still only a handful changed their minds.

Of course, it would be commercial suicide for an autonomous car manufacturer to advertise that their car would choose to kill the driver and their passengers over innocent bystanders in the event of an unavoidable and fateful accident. Perhaps this was the ethical dilemma? Either way, it seemed that the fate of a car company was of less interest to the participants than saving lives. As a pharmaceutical company producing neurological and immunological drugs, this seemed authentic and reflected the interest we had seen in the ethics of care.

Opinions changed when the pedestrian, who would potentially be hit, had crossed the road unlawfully or was jay walking. Here participants were more comfortable if the person killed was in the wrong, perhaps this would alleviate their own sense of guilt? I found this rules-based, deontological approach interesting. It is accepted that killing an innocent person is wrong but what about someone who is not completely innocent? In the first scenario, the majority of participants would rather kill themselves (the driver) than an innocent pedestrian. Yet, should that pedestrian cross against a red *no crossing* signal then participants were OK with taking a life. Had they never once jay walked themselves? Who were they to decide that this act could be punished so severely? In both scenarios they took a life but where blame could be attributed to the pedestrian, they were far more comfortable with that.

Ultimately this was treated like the theoretical scenario that it was, and everyone went out of their way to seem benevolent and self-sacrificing. My Duke colleague (who is a former senior Scotland Yard detective and hostage negotiator) agreed that the responses we received were "guarded and socially aware". Bearing in mind that, at this point, participants did not have any formal structure or guidelines to think about, discuss and resolve such ethical dilemmas. Only three participants were prepared to say that they would choose the lives of their own children over that of strangers. Even if more of them believed that this was the natural thing to do, they did not have a way of communicating their reasoning to show balanced and considered decision making based on their values and beliefs. Why go to that much trouble for a hypothetical exercise? Here Quinlan's (2011) warning about social desirability bias in focus groups or group interviews came to mind. This group appeared to want to work well together, were non-confrontational and would rather incorporate as many ideas as possible into their narratives than explicitly exclude someone's input.

The next exercise was a dilemma that was currently faced by the organisation. It was not hypothetical and required consideration and debate to reach a conclusion. In this we heard discussions around experience and personal values underlying opinions and *doing the right thing* was again a much-used phrase. There was no consistent approach to recognising this as an ethical dilemma nor was there agreement on whether it actually was one.

In observing participant groups work through the ethical scenarios that were presented to them, something that I had done a few times before in decision auditing, I was able to observe their collective decision making and through all groups a clear thread emerged. The most senior person on the table took the lead and kicked off the discussion in a very natural way as if they were in a meeting that he or she had originated. Facts were discussed to ensure that everyone was on the same page, opinions were shared according to areas of expertise, there was a good level of listening and dialogue but less so in challenging one another's views. Participants built on the views of others until it became clear that a particular train of thought was not viable, then a new one was tabled. Once all opinions were aired, participants referred back to the most senior person in each group to make a decision - which the latter duly did. In deciding what actions to take, they generally played it safe by not going much further than the minimum action required by law. Where a colleague from ethics and compliance or legal affairs was present, they had the final say. Where there was not a clearly more senior person at the table, decisions were put to an informal vote.

My colleagues in the workgroups had already warned me that even leaders do not always feel empowered to make decisions, especially as concerns ethics. This has traditionally been seen as the role of their E&C colleagues. Also, the penalties and fines for breaching legal and compliance codes were significant so why would they take on these decision rights and the attached risk if they did not have to? I cannot discount the fact that I may have been looking for this and so did not notice heroic acts of independence or challenge in the groups.

However, anonymous chat boards were set up with questions around decision making at ABC to shed further light on decision making behaviour. In this we learnt that many participants felt unequipped to deal with ethical dilemmas and so reverted to the same approach used for compliance issues by referring it to their E&C partner or legal affairs. Given the high penalties for legal transgressions in Pharma this was the sensible thing to do but it had also become the template for tackling tough choices. There was a measure of disbelief around the idea that E&C

wanted to empower colleagues to deal with ethical dilemmas themselves. This was not unexpected.

In discussing what was needed to help employees identify and resolve ethical dilemmas the participants came up with a wish list:

- Rapid access to different perspectives allowing decision makers to consider opinions that they might not otherwise know of. (Looking for more certainty and confidence in their decision making.)

- Various ways to strengthen ethical muscles including exposure to ethical dilemmas and worked examples related to them. (Looking for knowledge.)

- Raising of awareness that morals and company ethics may sometimes differ and guidance on how to deal with this. (Looking for guidance.)

- A set of questions to help determine if an ethical dilemma is faced. These should highlight the stakeholders and explore possible options. (Looking for tools.)

- A quick way to evaluate solutions proposed like *what if this were published in the paper tomorrow* or *what if everyone else did this, too?* Or the age old: *how would I feel if this was done to me?* (Again, looking for simple back-of-the-envelope tools)

- It was agreed that a simple set of ethical standards and guidelines would be useful for everyday decisions in the field.

Many of these sentiments were echoed in the *Executive Committee meeting* – another meeting held the day after the focus groups with the members of ABC's Executive committee (ExCom). This meeting achieved the same high level of engagement and participation as the leadership workshops. We learned that the CEO was excited about this project and about the idea that we were creating it organically. He felt that by doing so we could get "energy for solutions that did not currently exist". He suggested that we propose a framework with guiding principles that would allow for individual teams to integrate EDM into their own ways of working. Other ExCom members agreed that a solution that was not overly prescriptive such as *guidelines* would help colleagues to innovate and find solutions that were difficult to generate inside a rules-based approach.

After working through the same in-house ethical dilemma that the other two focus groups had worked through, they (the executive committee) were quite impacted by the depth of discussion it generated. They were not discussing it merely to solve it but found themselves discussing to understand it rather. As the most senior representative of each part of the business was present,

they were able to understand the impact on every stakeholder as they considered each perspective equally. Every person in that room was a peer and they were conscious that each was afforded equal consideration. The following is paraphrased from the debrief with the executive committee:

"This is a topic that not only generates great interest but also fascinates us because:

- We all come with individual perspectives
- There is no truth or right answer
- All the complexity of human values is exposed and …
- is reflected in the creation of societal norms and values
- Every day we make decisions and now feel we need to examine how we make them and …
- what motivates us in making our choices?
- What factors cause us to change or modify our decisions?"

They left us with some further questions to explore and guidance as to what they felt would be helpful, too.

- We should consider the tension between different stakeholders and the impact of our choices on all stakeholders including ourselves and society
- This is an important consideration in the overall sustainability of the organisation and should allow for the passage and effect of time on our choices. It should be a dynamic framework that also allows for changing of acceptable norms
- We do not want to define ethics in ABC too narrowly but should have a global set of values or a framework that allow/s for local cultures
- This has been a good way of generating conversation. How can we capture *this* in a framework?
- This raises the question of risk in decision making. Does it mitigate or increase risks? Can we build a framework that can help people make decisions that reduce risk, can this help with accountability or ownership of decisions and outcomes? Will it help with compliance?

The following (figure 3) resulted from brainstorming the definitions of words that participants associated with ethical decision making at ABC Pharma across the focus groups and ExCom meeting.
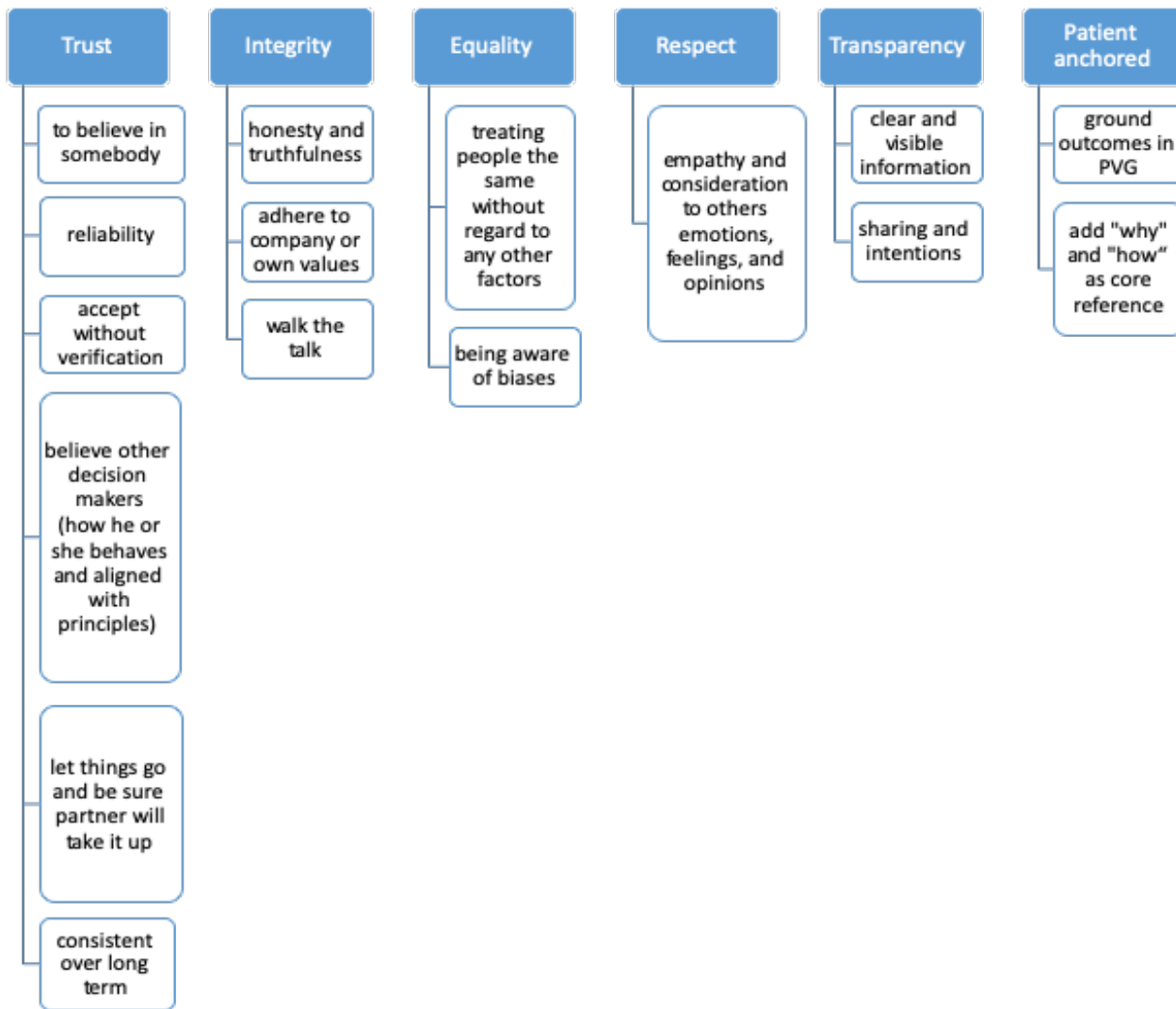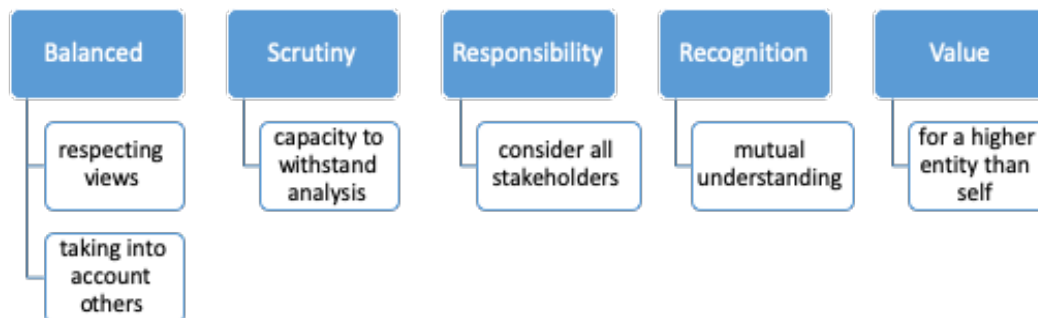
Figure 3 – Defining ethical terms at ABC

Trust	Integrity	Equality	Respect	Transparency	Patient anchored
to believe in somebody	honesty and truthfulness	treating people the same without regard to any other factors	empathy and consideration to others emotions, feelings, and opinions	clear and visible information	ground outcomes in PVG
reliability	adhere to company or own values	being aware of biases		sharing and intentions	add "why" and "how" as core reference
accept without verification	walk the talk				
believe other decision makers (how he or she behaves and aligned with principles)					
let things go and be sure partner will take it up					
consistent over long term					

Figure 3 – Defining ethical terms at ABC cont.

Balanced	Scrutiny	Responsibility	Recognition	Value
respecting views	capacity to withstand analysis	consider all stakeholders	mutual understanding	for a higher entity than self
taking into account others				

It was clear that TRUST was the glue that held the other ideas together. Trust was considered the product of ethical behaviour.

In digging deeper on contemporary issues of trust in organisations I discovered that trust is not just a nice to have, today the payoff to institutions (governments, NGO's and corporates) for earning trust is tangible and significant. Apart from trust being the second most important reason for a brand purchase – after price, it yields a 30-point advantage in employee loyalty, advocacy and performance and that impacts the bottom line (Edelman, 2020). According to the influential Edelman Trust Barometer (2020)[9] institutions that take a stand on societal issues are four and a half times more likely to be trusted by their stakeholders. According to their research, the definition of trust is also changing, it's no longer simply about choosing institutions that are like me that reflect my values and that I'm comfortable with. Today, trust encompasses two distinct considerations: competence and ethical behaviour. People trust institutions that do the right thing and do it well. Previously, being competent as an institution was enough to generate trust and loyalty, but today ethical attributes drive 76 percent of the trust capital of organizations, while competence only accounts for the remaining 24 percent. Being good at what you do is not enough, stakeholders are demanding competence in ethical decision making as well and the transparency to see for themselves that this is the case.

Zak (2017) found that Employees in high-trust organizations are *more productive, have more energy at work, collaborate better with their colleagues, and stay with their employers longer than people working at low-trust companies* (pg.4). In addition, he noticed that these employees *suffer less chronic stress and are happier with their lives.* Ultimately these factors fuel stronger performance. In its 2016 global CEO survey[10], PwC reported that 55% of CEOs clearly understood the importance of trust but admitted to having done little to increase it mainly because they aren't sure where to start.

In exploring ethics in coaching, Iordanou et al suggest that the focus of building trust through ethical behaviour does not have to be on solving ethical issues but rather on creating those conditions and conversations that bring them to the surface (Iordanou et al, 2017, pg.186). They were referring to ethics in coaching but ultimately, this is what the EDM Guidelines would attempt to do.

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[9] https://www.edelman.com/trust/2020-trust-barometer accessed 07/03/2020
[10] https://www.pwc.com/gx/en/ceo-survey/2016/landing-page/pwc-19th-annual-global-ceo-survey.pdf accessed 07/03/2020

From these terms and the discussions around them the workgroup was able to create a dictionary of terms specific to ethical decision making at ABC. The purpose of this would be to facilitate discussions around ethical dilemmas and ensure clarity on what these words meant across borders and teams as follows:

A dictionary of terms to help us discuss ethics and what they mean at ABC

Trust

To trust someone is to accept their words and actions without verification because they have consistently and proactively displayed ethical behaviour and decision making over time.

Integrity

To embody ABC's values with honesty and transparency, even when it is difficult to do so.

Equality

I am aware of my own biases and do not discriminate against others, rather I see the value in different perspectives and life experiences.

Respect

I show empathy and consideration to the emotions, feelings and opinions of others.

Transparency

I am transparent in my thinking and intentions. I discuss the choices I face with colleagues and test the impact of my decisions before I decide.

Scrutiny

I ensure that my actions and decisions are justifiable and open to analysis.

Ethical Responsibility

I am responsible to our patients, our people, our company and society and will be held accountable for the choices I make.

There was less agreement on how to identify an ethical dilemma. Many said that *you just know* perhaps from experience or because *it clashes with your own* values or *just does not feel right*. A problem that has *no clear answer yet impacts others* was another train of thought followed.

Identifying an ethical dilemma at ABC Pharma

At this point, I went away to think about everything we had learnt in these meetings and focus groups and address the first question of how to identify an ethical dilemma. Turning to the literature I found that an ethical choice is generally one that is considered acceptable to a larger community based on its adherence to agreed or generally accepted moral standards of behaviour (Jones, 1991; Reynolds, 2006). And so, ABC's Ethical Decision-Making Guidelines

could define their ethical standards by clarifying the decision-making behaviours that are acceptable to their stakeholders without dictating what is the *right thing to do or exact values to follow*. But would that be enough?

Whilst all decisions made at ABC should reflect these ethical standards, not all decisions will encompass moral, or ethical, dilemmas and so I went on to explore what is considered an ethical dilemma specifically and how that compared to what was raised by participants in the diagnostics workshops.

The most common response received in the latter was that an adult (and certainly an employee at ABC) should *just know* what an ethical dilemma is, and this was born out by several authors. Given the disagreement around the term 'doing the right thing,' it was clear to me that what one person thought was an ethical dilemma might not have been for another person in another part of the world or even in the cubicle next door. It was agreed that the ability to define an ethical dilemma in a way that allowed for the evolution and changing nature of the challenges they faced as well as smoothing out some of the jarring differences between organisational and local contexts would be an important part of any EDM Guidelines. This was going to be a challenge and it reminded me of a crossword puzzle.

Starting out on a new crossword is always a little frustrating. The empty blocks of the puzzle and a menagerie of clues that do not yet fit together can feel frustrating. My strategy (and any other crossword puzzler's) is to start with the one clue that I am pretty sure I have the answer to or can find the answer to and work from there. Soon enough the answers to the other clues come into sharper focus albeit sometimes through trial and error.

I did have just such a clue. It pointed me to an unrelated study that I had found useful in the past in explaining why we seldom question the status quo. Israeli researchers Gilead, Sela and Maril (2019) had found evidence of why our beliefs are so resistant to change. They found that acceptance of opinions that confirm our beliefs (such as the status quo) and agree with our values occurs in a rapid and involuntary manner uncomfortably similar to the processes that occur when we encounter uncontroversial facts. We do not have to think about the facts to make up our minds about them and we certainly do not pause to question them - we just know that they are correct - at least to us. Is this the same *just knowing* as what I encountered amongst participants faced with identifying an ethical dilemma? If it is, it also raises questions of how we can update knowledge that we are not consciously aware of and do not even think of

questioning. The ethical dilemmas of the last decade will be different in many respects to the ethical dilemmas of this one and so how can we encourage decision makers to continuously update their mental models if they are not even aware of them. Following this train of thought the next step was for me to find out where these mental models came from and how they interacted with conscious thought. How could we surface them? If *just knowing* is a deliberate mental act, it has to come from somewhere, does not it?

Scott J. Reynolds was able to shed light on this very question in a paper he published in 2006. In it he presents a neuro-cognitive model of ethical decision making and suggests that the latter relies on two related cycles; "a reflexive pattern matching cycle (X) and a higher order conscious reasoning cycle (C)" (pg. 737).

Reynolds' findings are based on the principles of neural network modelling (neuron-based models of brain functioning) where the function of the neuron as the brain's fundamental building block is essential in understanding ethical decision making at an individual level. According to these principles we form reflexive judgements using intuitive and retrospective prototypes. When we are exposed to a scenario, the new information it yields is then assessed against previously learned patterns of information (aka prototypes). This stored prototype contains what we already know about the situation and possible past experiences, emotions and other sensory information. *This process of searching and matching is reflexive and preconscious but also contains a script for taking action.* It could be likened to management concepts such as schemas or heuristics except for the fact that this prototype is literal rather than metaphorical. It does not seek to describe the decision-making experience but rather *is* the pattern of neural electrochemical activity that gathers the sensory experience necessary to create a material imprint of the external world. It is an integral part of the decision-making process. Should this incoming information match a prototype, the results of the analysis will rise to consciousness undisputed, like Gilead *et al*'s "opinions that agree with our beliefs*"*. Whilst the latter system can take care of most of our day to day judgements based on experience, when there is no match or a judgement is challenged by a source external to it such as an individual feeling uncomfortable by the available options or someone else questioning it, the C-system representing higher order reasoning is called in to relook at the judgement by applying relevant moral rules. Garfinkel (1984) suggests that, since the decision has already been made instinctively, this re-examination by the C-System is merely a process of rationalisation in which the individual constructs a plausible argument to justify their decision based on what they perceive to be right or wrong. Given that the automatic or reflexive system

is not deliberately activated by thought but rather the mere presence of stimuli, it makes sense that participants felt that one just knows what is right or wrong. It suggests that we do not even need to think about it and therefore do not routinely challenge these stored beliefs.

So, it would seem that we do truly just know based on our mental prototypes. Following this, the more experiences we have in ethically charged decision scenarios, the more different prototypes we store, allowing us to more easily identify an ethical dilemma. Not unlike helping children become better decision makers by exposing them to decision scenarios and the consequences of these decisions in benign environments so that they built up a mental database of decision outcomes and consequences (du Preez, 2016). This becomes an unconscious reservoir of experiences and concomitant emotions to draw on as they become more independent in decision making through the teenage years.

This was news I could use. From this it would seem that there are two points at which to influence EDM. The first being in the creation of accurate prototypes and the second in the judgement overlay used when the reflexive system hits a glitch. Exposing decision makers to ethical dilemmas that are relatable and tangible enough to form multi-sensory memories would boost the number of mental models or prototypes that they stored and improved their ability to spot ethical dilemmas. An ethical code of conduct was not going to achieve this, we needed a dynamic educational component to bring these to life. One that was aware of the philosophical foundations and values it promoted in these prototypes. Then we needed to offer guidance on how to resolve dilemmas once they surfaced. The latter being a well-accepted pedagogical assumption in effective business ethics (Sims, 2002).

At this stage the Ethical Decision-making Guidelines needed three or four parts
1. The rational for them and the ethical behaviours that are acceptable to stakeholders
2. Ways to identify ethical dilemmas
3. Guidance on how to resolve identified dilemmas
4. And yet, if the ultimate goal of these guidelines was to build trust and the group had decided that trusting someone was defined as *accepting their words and actions without verification because they have consistently and proactively displayed ethical behaviour and decision making over time,* should we not also build a point of view to clarify those behaviours at ABC Pharma?

Would this really help in dealing with ethical dilemmas of the future? Situations that we couldn't yet conceive of or did not perceive as ethical dilemmas by today's standards as the pharmaceutical industry developed in new areas such as artificial intelligence, genetic testing and intimate data gathering from health trackers (Arnold, Beauchamp and Bowie, 2013)? Situations we cannot prototype. Surely this is the grey area that these EDM Guidelines would need to shine a light on? How could we help decision makers identify ethical dilemmas in the absence of prototypes to support reflexive judgement? Firstly, we'd need to define an ethical dilemma in character not content.

Defining an ethical dilemma at ABC Pharma

Failing the recognition of prototypes, what situational characteristics can alert us to the potential of an ethical dilemma inherent in our choices and thereby propel ethical reasoning? A moral issue or ethical dilemma has been defined as an action that, "when freely performed may harm or benefit others" (Velasquez and Rostankowski, 1985 in Jones 1991, pg.367). This is not a particularly useful definition in helping others identify an ethical dilemma, nevertheless it is quite representative of the available definitions. In searching for more practical definitions I ended up echoing Lewis's (1985) sentiment that defining business ethics was like "nailing jello to a wall in which typical definitions refer to the rightness or wrongness of behaviour, but not everyone agrees on what is morally right or wrong, good or bad, ethical or unethical. To complicate the problem, nearly all available definitions exist at highly abstract levels" (pg.377). Fernando (2012) offers that an ethical dilemma is a moral situation in which a choice has to be made between two equally undesirable alternatives. The APA dictionary of Psychology states that an ethical dilemma is a *situation in which two moral principles conflict with one another*[11]. Other mainstream dictionaries did not offer a definition of ethical or moral dilemma but rather those two words defined separately. The online Cambridge Dictionary[12] offered examples of ethical dilemmas used in sentences rather than a definition. It seemed it was time to construct our own.

Acknowledging that using words such as *undesirable* or *moral* or *right* or *wrong* was not going to be useful for ABC, was the starting point. Then, from these definitions I was comfortable extracting the fact *that choices impacted others for better or worse* as this tied in with an ethic of care approach as well as what we learned was important to decision makers at EDM through the diagnostic workshops. These impacts may not be felt equally or even be beneficial to all

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[11] http://dictionary.apa.org/ethical-dilemma retrieved on 30/01/2020
[12] https://dictionary.cambridge.org/example/english/ethical-dilemma. Retrieved on 30/01/2020

stakeholders. The request from their executive committee that, *we should consider the tension between different stakeholders and the impact of our choices on all stakeholders including our self and society* raised the need to consider impacts of our choices not just on the immediate stakeholders but to identify those that would be impacted indirectly in perhaps, second or third order effects. Not only the actual impact on stakeholders but the impact on the relationship between stakeholders. For example, ABC might make a decision that impacts one group of stakeholders directly such as employees or shareholders, but that same decision might impact the relationship between other stakeholders such as between ABC employees and patients or ABC and the regulator. It would also make no sense to limit this to a choice between two alternatives as there could be more. Besides, good decision making would encourage the search for more alternatives.

The use of the words *ethical* or *moral* in these dictionary definitions would indicate that values were foundational in identifying an ethical dilemma even if we stopped short of defining what was the right thing to do. Given all of this, I proposed that an ethical dilemma at ABC could be identified through having all or some of the following characteristics:

Breach of a core value

Whilst ethical decisions are often complex, almost all of them will breach a core value (of society, a company, a person etc.), a consequence that could be unintended and hence, not always readily identifiable if one is not specifically looking for it. Core values could include acting with integrity or empathy and embracing differences in perspectives or cultures in line with ABC's core values.

Unequal impact on stakeholders or stakeholder relationships

A dilemma is usually one in which various courses of action are possible. Either one stakeholder or multiple stakeholders will be impacted through these actions. The relationships between multiple stakeholder can also be affected directly or indirectly. These impacts can occur in the present or over a period of time.

No Clear Choice (no perfectly equitable solution)

It is not clear what choice to make. All possible options cannot provide a satisfactory outcome to all those affected by the decision or actions taken.

We went on to recognise that the crux of an ethical dilemma at ABC can be captured through the second point as follows:

At ABC a choice becomes an ethical dilemma when one recognises unequal impacts of our choices on our stakeholders or between stakeholder relationships, resulting in positive consequences for some and less positive or negative consequences for others. These consequences might only manifest over time.

This became the core "situational characteristic" alerting us to the potential of an ethical dilemma inherent in our choices and so, hopefully, propel the application of ethical reasoning (Velasquez and Rostankowski, 1985 in Jones 1991, pg.367). This is then complemented by the two other identifying factors. Breach of a core value and no clear choice - neither of which, taken individually, indicate an ethical dilemma. For example, there might be an option to a choice that breaches a core value (of a person or ABC) but it may be clear that it is not the right option to pursue. However, when there is no clear option and some or all of the choices breach a core value then we believe we have an ethical dilemma on our hands. The only reason to identify an ethical dilemma is so that we know to apply the EDM Guidelines. (As a side note this whole argument had become completely moot by 2019 as ABC's leadership had decided to use the EDM Guidelines as a general decision-making tool for all difficult decisions based on its success, simplicity and generalisability.)

A graphic was created to capture *How to identify an ethical dilemma.*

Figure 4 – Graphic of how to identify an ethical dilemma at ABC
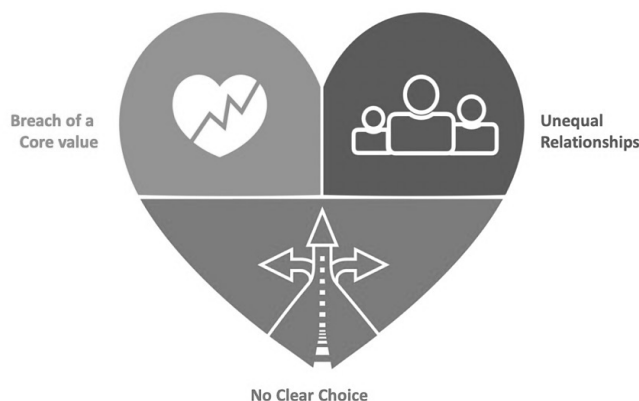
My Reflection 3: As an external researcher, I found the ability to engage with senior leaders on this topic through frank and meaningful conversation rather unexpected. I had expected to

receive a lukewarm response and superficial engagement. I had also expected such senior participants to be on their laptops or mobiles dealing with 'important matters' throughout the diagnostic workshops but being just engaged enough to show their support for the important topic of ethics. There was only one participant who fitted this description and we later learned that she resigned some weeks after the workshop. I had assumed that so many leaders accepted the invitation because they did not want to miss out on having their say on a new project that could impact them or did not want to be seen as uninterested in ethics. What could be more important than being ethical?

My cynicism was the first thing I found myself reflecting on. Did *I* take the role of ethics in decision making seriously enough? Did I think it was just window dressing? To me, making the right decision included not breaching my own values. Whilst I was not in a position to impact large groups of people through my decision making, how much did I really consider the impact on others of my choices? Did I just accept that I was ethical and so would not unnecessarily harm others through my decisions and yet, my values were unexamined? What was it that I valued most and where these values even to the benefit of others or just myself? Did that matter? A core value could be a *capitalist winner takes all* philosophy in which a Tremaine-first approach was the best way for me to proceed and provide the best outcome for my family and particularly, my son. An outcome of financial stability that I did not have as a teenager. Given my upbringing, I could easily justify this. Whether this was right or wrong would depend on who was judging it. What were my values and how did I know I made ethical decisions? I was beginning to see that my cynicism towards these executives had come from sources outside of ABC Pharma - sources such as the media that had led me to believe that there is only one way for a Pharma (or any large for profit organisation to behave) and that was in their own self-interest. An unexamined belief that needed surfacing. It also invited further evaluation of my own decision making. I have strived to be as successful as possible, but do I actually consider the impacts on all the stakeholders to my decision making? The short answer is that, up until now, I do not have a specific step in my own decision-making process to consider impacts on other stakeholders. Going forward, I will.

With the knowledge that I, too, could be slave to my preconceived beliefs or frames, I turned to think further about the enthusiasm with which participants approached this topic. Each of these participants are high earners, well-educated and command considerable resources and decision rights. Was this engagement from a recognition that a lack of ethical business practices would put the sustainability of their industry, organisation and ultimately their own welfare in

jeopardy? Did it even matter what was driving them to embrace this project? Could being ethical be good for its own sake? I did not yet have an answer to these nor why I was not quite taken in by it. I noted this and would continue to look for answers to the question: *what drove engagement in this project?* Later on, you will see that I found an answer – or rather a series of answers.

On the other hand, I had gathered a treasure trove of information, perspectives and ideas upon which to begin building the framework they were asking for. I also realised that whilst I couldn't package this as official research, it had produced an important diagnostic. I could see how they made decisions and where the sticking points were such as differing views on what an ethical dilemma was, what should drive ethical decision making - personal or corporate values, alongside a lack of courage or perhaps a lack of framework to generate increased debate amongst leaders that cut across lines of seniority. We saw what words they used to describe and engage in conversations about ethical decision making and what these colleagues believed those words meant, or should mean, at ABC. I could now see what was lacking and what was needed from an ethical decision-making framework. My next step would be to figure out what to put in it, how to beta test it and later, measure its impact.

This organic and fluid diagnostic was also an important learning for me in my professional capacity. It was OK for me not to have any answers at the beginning, what was more important was the ability to ask questions that would help us understand what the real challenge was as regards decision making. Having just finished an 18-month project with one of the world's largest food and beverage manufacturers in January 2020, I can compare the two experiences. At ABC, I was part of the diagnostic and was able to create a tool so valued it became an integral part of their ways of working. With the food and beverage manufacturer, the only diagnostic that I was privy to was an engagement survey with over 200 complaints about leadership decision making. I was not able to gather any further data about why there was such unhappiness or how decisions were made or judged. I was asked to present best practice tools in a framework to improve decision making to their 500 European leaders. The results to this were poor. Notwithstanding a failure on my behalf that I cannot see objectively, I was continuously faced with cohorts of leaders that did not feel there was any real issue with their decision making and that the survey responses reflected individuals who were merely unhappy with the outcomes of decisions made by senior leaders. Their CEO commented that ten 3-hour workshops was a "lot of time to spend on decision making". This was a completely different culture. My intervention was possibly a waste of time and resources for them. After all, I did

not know what was really going on with their decision making. The experience with ABC in contrast to the beverage client has led me to value a diagnostic phase before embarking on solutions and hence not accept any large projects unless I can be part of the discovery phase.

Defining the right thing to do at ABC

Having succeeded in defining and creating a graphic to capture *How to identify an ethical dilemma* at ABC Pharma, I turned to the much trickier next step of sorting through all the requirements highlighted in the diagnostic and ExCom meetings.

The wish lists from all three engagements was rather daunting. At this stage, I couldn't see how all the requirements could be met in an easy to use tool. From experience I also knew that creating a framework that tried to be all things to all stakeholders was a sure way of making something complicated or unwieldy. Was my objective to satisfy the extensive wish lists from stakeholders or create something simple enough to be used by everyone from their board members to researchers to factory workers making medical devices? Not to provide them with answers but to generate discussions and points of view that reduce idiosyncratic risk and increased the chance of them making a more ethical decision - albeit not guaranteed? Such a tool would tick off many items on these wish lists but not all.

Could it be that the *executive committee's* extensive wish list was for a tool to match the level of complexity at which they worked? Or a tool that would be helpful with the type of dilemmas *they* faced? Were they assuming that a complicated problem needs a multifaceted solution or sophisticated tool to work through it?

It was this reflection that lead to the idea of creating a document that allowed for different levels of sophistication in decision making. There could be a core set of simple and easy to remember decision guidelines that everyone could use for any type of decision without even having to have the details in front of them. This could be nestled within slightly more complex principles addressing behaviours and risk mitigation alongside tools to identify an ethical dilemma, generate conversation and evaluate decisions. I was starting to form a plan of what these guidelines could be.

Although, strictly, not a piece of research, this diagnostic followed three of Quinlan's (2011) Four Stages of Data Analysis needed in sound business research in that we described what data

was needed and how we would gather it, I was able to interpret that data after going through it many times and building links to literature and my professional experience allowing me to reach conclusions to inform the next piece of work which was building the EDM framework. To be clear, Quinlan's last stage is *theorising* but I cannot create a theory from this, nor from any piece of this work and so I will create a point of view about what is needed and how best to implement it to reach its objectives - following Yin's general definition of case study research of forming a point of view to guide further *data collection and analysis* (Yin, 2018, pp.15).

Finally, we wanted to settle the use of *doing the right thing* at ABC Pharma by either defining it, removing it or transforming it into something else. We still did not have a definitive answer about what was the right thing to do at ABC. We had learnt that opinions differed, there was a cultural sensitivity to this, experienced employees relied more on their own intuition whilst others wanted examples of dilemmas and how they were resolved. There was a perceptual divide between what was right for the individual and what was right for the organisation. Reflecting on all the data gathered led us to remove the term 'doing the right thing' completely. We had learnt that the right thing was subject to an individual's perception of an action or outcome. Instead we would focus on making the best possible decision when faced with an ethical dilemma in line with the company's patient-centred principles. As I had suspected previously, doing the right thing was transformed into a series of actions that would lead to improved decision making. It was not about judging an action based on the values underlying it nor on the consequences of those actions nor through the lens of any particular principle like generalisability. We had discovered that it was important to ABC that we did not dictate right action at a point in time as context can change rapidly, but rather provide a process to supplement and support an individual's thinking centred around understanding the impact of their choices on all their stakeholders. P*rocess* not *action* or *outcome* orientated decision making is, in fact, considered a measure of good decision making across both academic and practitioner literature as we will explore in the literature on decision making. I was now able to take all this information and move into the phase of constructing a behavioural decision-making strategy that would become their Ethical Decision-Making Guidelines.

After the initial diagnostic, the business case had been built and used to secure further support and resources and we had the green light to go ahead and conceptualise the Guidelines, as long as we continued to work in collaboration with different parts of the business. Project governance was established, and I felt we were ready to explore decision making, starting with the question I usually kick off with, *what is the actual challenge we are addressing?* (This

question forms the foundation of all the behavioural decision-making strategies that I build and is often the first question asked when faced with a new challenge along with, *who is the decision maker*.)

Finalising objectives for the project

Now that diagnostics were complete it was time to finalise objectives for the project but that meant encouraging all the parties to agree.

The project's governance included a workgroup, a steering committee of senior leaders and a project sponsor who was head of legal services at the time. At this stage, we had a wish list from the diagnostic meetings, one from the executive committee and one from the steering committee. Needless to say, I was feeling overwhelmed. I had had several conversations with the teams by then but the question of "What is the actual challenge we are addressing" was never clearly articulated in our exploratory discussions and it was time to move on from wish lists to a set of measurable objectives. Only then could I begin building these *Guidelines*. After debriefing the diagnostic workshops, I asked the workgroup members to each answer this question individually – 5 different answers were received as follows:

What do you now believe is the objective of creating EDM Guidelines at ABC?
• To create a good reputation built on trust internally and externally
• To reduce ambiguity in decision making in an ever-changing environment that is not black and white
• To ensure sustainability of the company and reduce unethical behaviour
• To improve decision making in ambiguous situations and to better empower others to make these decisions.
• To give people a way to work through decisions that have no precedent, allowing for more courageous decisions.

As you can imagine, the discussion that followed was very illuminating for the steering committee who had assumed that they were all following the same objectives and so this assumption was never questioned. It highlighted the different frames each of them brought to the issue as well as the different reasons they had for wanting to be a part of it. Taken together, they all contributed to the ultimate sustainability of the organisation - an important realisation that grew over the next 18 months.

However, none of these were easily measurable in the short term. We needed something more tangible. Fortunately for me, pharmaceutical employees understand the need for measurable objectives and, once the various objectives, wish lists and discussions had taken place and were recorded in a way that the links between them were clear, they were able to settle on the following:

<u>Aim</u>

To embark colleagues on ABC's transformation to a values- and ethics-based organisation by enabling them to occupy the decision-making space with the knowledge of key ethical principles and the confidence to apply them to the complex environment in which we operate.

(These *key ethical principles* would be a stand in for a more formal code of ethics previously described as a "written, distinct and formal document which consists of moral standards that help guide employee or corporate behaviours" (Schwartz, 2005, pg. 27). This was chosen over the more formal code in the hope that these Guidelines would be more useful and relatable than a list of do's and do nots)

<u>Objectives</u> as key performance indicators

- Co-create appropriate tools supporting EDM (such as the Guidelines)
- Articulated the Ethical Decision Making (EDM) guidelines and generate positive learning experiences
- Collaborate with stakeholders to enable and empower the business to own EDM
- Empower the Ethics and Compliance function to act as a sounding board and facilitator for EDM

Purpose and positioning of the EDM Guidelines

The *purpose* of this project was never fully verbalised. I felt that it was too much to ask of a team of busy executives to really drill down and explore the motive for embarking on this project. My time with them led me to understand that they truly believed that the sustainability of both the Pharma industry and their organisation was intrinsically tied to an ethical revolution beginning from within the industry itself. Such an organic shift was preferred to one being imposed by a regulator or client fed up with an industry unable to balance profit and patient-centricity. A sentiment echoed by Heath (1997) who suggests that "self-regulation through ascertaining and imposing appropriate ethical standards" is the route to minimising external scrutiny and imposed standards (pg.132).

My reflection 4: I had initially wanted to leave out this messy refining of the challenge as I saw it, opting instead to simply list the objectives we settled on. On reflection, I decided that part of representing this case study is showing not only the development of the behavioural decision-making guidelines but the evolution of our thinking and how decisions where framed and explored. I have no doubt that many consultants are faced with similarly complex or vague 'reasons for wanting to do something' or having to satisfy the voices of many stakeholders and sponsors rather than meet clear objectives. Besides, more impactful decisions were taken in these initial months than at any other time in the project.

It was when I read Gideon and de Bruin's (2003) insight that a decision process that accounts for the decision makers goals and allows for a thorough exploration of the problem domain would render the act of deciding, trivial, that I realised that it was the exploration of this messy problem domain first through workgroups then through diagnostic workshops that would lead to our first choice; choosing the objectives. Spending time on this muddy, frustratingly unclear reality was richly rewarded in a clear set of objectives that everyone felt reflected what they hoped to achieve and served to guide this project over the next 18 months. This became particularly valuable as the number of employees involved in the project grew and as old ones were replaced with new ones. We always working towards the same clear goal and this saved tremendous time in these changeovers.

This was also a personal achievement for me in my consulting work as I had noted in my research proposal for this enquiry that I had struggled in my pilot research project (Summer, 2017) to extract useful, and perhaps even challenging, information. I felt I did not have the presence or confidence to invite an exploration of the swampy lowlands (Schön, 1983) that constitute the reality of [high level] decision making in organisations that is so important in generating meaningful, interpretive and conversational research.

Part 3

Informed by the learnings from Part 2, Part 3.1 is a cross disciplinary exploration of the literature culminating in the creation of practical EDM guidelines as an artefact of particular interest to the client, ABC Pharma, but perhaps also to all the other audiences to this enquiry.

Part 3.2 covers a research project to help inform the rollout of the Guidelines that would again be of interest to all audiences.

3.1 Creation of the EDM Guidelines

Now that we were clear on the objectives of the project with resources in place and the blessing of the executive committee to continue, I was given the green light to develop the EDM framework. As I began to develop the latter, I was cautious that it should be developed with an eye on the best way to implement such a thing. I was also keen to learn from the experience of implementing other large-scale projects in this organisation. Unfortunately, these lessons learnt had never been recorded and so I would go in search of this missing organisational knowledge. But first I embarked on a literature review of business codes in the hope of gleaning insight about what made an effective code and how to implement them successfully.

This part of the project had several threads occurring at the same time and so, in an effort to present them linearly it may seem like it was a more ordered process than it really was. What follows in Part 3 includes:

- Engaging with the literature on effective business codes
- Exploring the literature on what is a good decision and how to make one
- Operationalising the literature, my professional knowledge and initial observations to design an effective ethical decision-making strategy plus beta testing
- Grounding within the literature on behavioural decision-making strategies
- Reviewing organisational knowledge from previous large project implementations

Engaging with the literature on effective business codes

What makes a good business code?

In the UK, Ethics codes, as a tool to tell right from wrong in the professions, began with a search for a Theory or Science of right by 19th century clergy and philosophers who had the

"highest gifts and completest training" and so thought they were able to judge good from bad (Sidgwick, 1893, pg.4).

In the attempt to pinpoint the mental and social origins of this new science and so connect it to "a logical system of thought" (pg.3), clergy and philosophers were faced with their own lack of experience of the bewildering complexity and variety of life outside of academia rendering them unable to truly understand the choices that people faced in the trades and professions. To be able to define the good life for humanity as a whole, 19Th century utilitarian philosopher and economist, Henry Sidgwick, encouraged the inclusion of the knowledge and skills of tradesmen and mechanics, who would provide comprehensive and varied knowledge of the actual opportunities and limitations, the actual needs and temptations, the actual constraining customs and habits, desires and fears, of all the different species of that "general man" (pg.4). A request Sidgwick feels would have been refused by Aristotle on the grounds that *such people* are incapable of any sufficient degree of virtue - a lost cause. On the contrary, Sidgwick suggests that we should turn our attention to what *these people* do when faced with difficult situations rather than the reasons derived by philosophers for their judgement. In fact, he believes that *they* are capable of sounder judgements than philosophers as a result of far richer conscious and unconscious experiences of the matters to hand.

Placing the experiences of decision makers at the heart of understanding how to build a more ethical society or organisation really speaks to me. Adopting codes of conduct, drawn up by consultants or management is far easier than to explore the realities of moral dilemmas and ethical decision making in an organisation, and most likely, far quicker and cheaper. At a breakfast meeting with a potential new client from the US Department of Trade in which I would be required to build an ethical decision-making process for their 28 000 trade partners across Asia Pacific, an interesting point was made in that "we do not want to appear to be missionaries, converting our trade partners to our ways of thinking so that we can all get along better". Their aim was to rather understand the dilemmas they [their trading partners] face and how to support them in their own efforts to become more transparent, sustainable and ethical in their decision making. Instead they wanted to be able to 'designate trusted partners to facilitate trade'.

Back in the 1920's the very first codes of ethics for tradesman appeared for this same reason - to reduce the need for cumbersome written contracts and encourage customers to trust them more. Jewellers, funeral directors and secret service organisations were some of the earliest

adopters of codes of ethics. These codes were written with the advice and experiences of practical men of the professions and trades with philosophical guidance - although some codes were over 40 pages long!

Formalised business ethics emerged in the US the 1970's and today the vast majority of Fortune 500 companies have codes of ethics.

What is a business code and why is this relevant to this enquiry?

Whilst trust is still central to the raison d'être of a business code, there are many more views on why an organisation should adopt one. I won't spend too much time on this as it does not significantly enhance my study but does place what follows into better context. A 2008 paper by Kaptein (a partner at KPMG Integrity and Professor of Business Ethics and Integrity at RSM Erasmus University and Schwartz, Assistant Professor of Governance, Law and Ethics at York University (Toronto) summarise some of these reasons from the literature as follows (all quoted from Kaptein and Schwartz, 2008):

- Because it is the right thing to do (L'Etang, 1992)
- As a commitment to help alleviate social problems (Logsdon and Wood, 2005)
- To improve or preserve reputation (Bowie, 1984)
- To minimise fines for legal transgressions (Pitt and Groskaufmanis, 1990),
- Minimise the need for industrial regulations and controls (Clark, 1980),
- Increase organisational efficiency (Mezher *et al*., 2002)
- Improve the work climate (Manley, 1991)

But merely having a business code in place does not guarantee that it will be of value. Raiborn and Payne (1990) find that they can be viewed as accusatory, threatening, and demeaning - often viewed by workers as "touting the way things should be as opposed to the way things are" (pg.5). Qualities that undermine the responsibilities of employees rather than empower them. Having broad and vague requests of employees such as ensuring that all business relationships are honest and trustworthy also leaves them open to misinterpretation or even sowing the seeds of confusion and distrust.

Earlier researchers such as Ladd (1985) add a view that I heard echoed by decision makers at ABC in that "those to whom it is addressed and who need it the most will not adhere to it anyway, and the rest of the good people in the profession will not need it because they already

know what they ought to do" (pg.11). I have already mentioned that, in the pharmaceutical industry in particular, ethics codes are viewed as superficial window-dressing (White and Montgomery, 1980), with the capacity of rendering stakeholders even more suspicious, cynical and distrustful (Dobel, 1993). In 2006, Hess *et al* (2006) concluded that they can be negative yielding financially, especially when compared to sector codes or laws (McClintock, 1999).

In exploring the empirical data on the usefulness of business codes, Kaptein and Schwartz (2008) found a similarly contested picture. Even the definition of a business code used to compare and contrast these studies was problematic given that it can encompass codes of ethics, codes of conduct, business principles, corporate philosophy and various other terms used by different organisations. They suggest breaking it down into its component parts and reassembling the meaning from that. The Cambridge English Online Dictionary tells me that a 'code' is a set of rules that are accepted as general principles, or a set of written rules that say how people in a particular group of people, organisation or country should behave. Given this, a business code would guide behaviour in an organisation. Is the term *ethics* even needed as a qualifier then? Cleek and Leonard (1998), suggest that including the term ethics implies that the code has a broader normative role in addition to serving the interest of the company - a moral component or compass. The term 'ethics' is an addition that Kaptein and Schwartz (2008) find superlative in their definition of a business code: "A business code is a distinct and formal document containing a set of prescriptions developed by and for a company to guide present and future behaviour on multiple issues of at least its managers and employees toward one another, the company, external stakeholders and/or society in general" (2008, pg. 113). The assumption within this is that all conduct on behalf of the organisation should be ethical and any code should guide behaviour towards such ethical conduct.

In my experience at ABC Pharma, there was a very clear understanding of what was proper and legal conduct yet there were still grey areas where, even though no regulations or requirements would be broken, options available were morally questionable. Their various and lengthy codes of conduct were unable to help them resolve many of these issues. There was also no allowance in them for going the ethical mile or creating ethical opportunities to go above and beyond in service of their stakeholders. One hypothetical example that we discussed was an outreach programme in Central Africa where medication was offered to poor mothers of very sick babies with a certain neurological condition, for a 5-year period. At the end of the 5-year period decision makers would turn their interests to other projects where they could also do good and make a difference in the lives of the poor and those without access to life saving medication.

The inevitable result would be that these mothers would suddenly be left with untreated children as they could not afford the medication themselves. Quality of life for these children would deteriorated rapidly and their families would have had no experience in dealing with their condition as they had been treated from birth to 5 years old. It was not illegal to offer or withdraw this medication, but the moral implications were significant, and employees involved (many of whom would not have been part of the original decision to begin this programme) would be deeply uncomfortable with the choice they were faced with. Their code of conduct was of no use to them here despite rigorous descriptions of what behaviours were acceptable in their patient-centred organisation. Nor would the non-binding Declaration of Helsinki (DoH) by the World Medical Association (WMA), and the international guidelines for biomedical research involving human subjects by the International Organisation for Medical Sciences (CIOMS). These set out important standards for clinical trials in developing countries but guidelines for responsible short-term global health outreach programmes are still being explored through the identification of common principles and best practices (Lasker *et al*., 2018).

Legal requirements have also become more specific around having a separate code of ethics within a business's "house of codes" (Kaptein and Schwartz, 2008). Merely having a code of conduct or business code is not enough, regardless of their efficacy. In the Sarbanes–Oxley Act of 2002 Section 406 stipulates that the Securities and Exchange Commission (SEC) requires companies to disclose whether or not they have adopted a code of ethics designed for corporate officers responsible for accounting and financial management. A company disclosing that it has not adopted such a code must disclose this fact and explain why it has not done so[13]. As a result, the adoption of codes specifically addressing ethical behaviour has increased dramatically, as well as applying to more functions than only accounting and financial.

Traditionally, any responsibility for organisational ethics would sit within the ethics and compliance function of an organisation. At ABC, part of the reason for creating the EDM Guidelines was to devolve responsibility for ethics to other parts of the organisation. To make it a leadership behaviour beyond the compliance department. A code of ethics that only applies to financial functions would be inadequate to aid decision makers in the hypothetical example above. Currently, the world's largest public-private partnership focused on advancing ethical business practices in the medical device, biopharmaceutical, and engineering/construction

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[13] https://www.sec.gov/rules/final/33-8177.htm, retrieved on 21/02/2020

sectors is the Business Ethics for APEC SMEs Initiative sponsored by the US Department of Trade and it has raised over £5million USD to develop and implement high standard codes of ethics with training squarely focussed on business leaders and not compliance officers. For all of these reasons I disagree with Kaptein and Schwartz's recommendation that an ethics code does not need to be called out separately and named as such. The use of ethics and or integrity in the title of the code separates it out from a system of rules with defined rights and wrongs such as traditional codes. Perhaps because of how they have been defined over time, codes of ethics still look largely like other business codes with prescriptions for good and bad behaviour.

An example of a typical code of ethics that meets the requirements of section 406 of the Sarbanes Oxley Act 2002 is that published by Barclays Group[14] as follows:

Specifically, under section 406 and the relevant Securities and Exchange Commission (SEC) rules (17 CFR Parts 228 and 229) Barclays Group (Barclays PLC, Barclays Bank PLC and their subsidiaries) is required to adopt and disclose a Code of Ethics for Senior Financial Officers. This Code of Ethics ('the Code') embodies the commitment of Barclays PLC, Barclays Bank PLC and their subsidiaries to promote:

- *Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;*
- *Full, fair, accurate, timely, and understandable disclosure in reports and documents that a registrant files with, or submits to, the Commission and in other public communications made by the registrant;*
- *Compliance with applicable governmental laws, rules and regulations;*
- *The prompt internal reporting to an appropriate person or persons identified in the code of violations of the code; and*
- *Accountability for adherence to the code.*

Similar regulations have rolled out around the globe and further increased the use of codes of ethics specifically to comply with legal recommendations.

The very first line of Barclay's ethics code reveals their desire for high ethical standards with honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, yet it reveals no way of actually achieving this.

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[14] Retrieved from www.sec.gov on 19 Feb 2020 at

In my stepson's school some years ago, they had a drug problem and launched a large community-wide campaign under the moniker of *'Say no to drugs'* and *'Just don't do it'*. Despite increased vigilance and availability of counsellors, the drug problem persisted for several more years. My stepson summed it up when he said that; *we know drugs are wrong and that we should say 'no' but they do not tell us how to say 'no'*. These children did not know how to deal with the social pressure and in-the-moment fear that being faced with a social decision to use drugs when you do not want to, can create. In the same way simply being told to deal fairly and ethically in all decision making is probably not always useful. In 2018 Barclays published a revised code of conduct - The Barclay's Way [15] - that sets out clear standards of conduct across 25 pages. Included is *The Barclays Lens*, a values-based decision-making tool designed to help colleagues anticipate, identify and manage the risks and impacts of their decisions and actions at work, and to be aware of the potential broader impacts on society and the environment in the short and long term. The objective is to make better and more sustainable decisions." Whilst exploring risks to and impacts on stakeholders it also lists some questions around ethics:

- Does this decision reflect the Purpose and Values of Barclays and is it consistent with the Barclays Way?
- Would I want someone to act like this on my behalf?
- Would you be comfortable seeing this decision/action on the front page of a newspaper?
- Would you have a clear conscience in explaining the action/decision to a colleague, family member or friend?
- Is this decision/action legal and in keeping with the spirit of the law?

It is possible that these do not go far enough in addressing differences in what employees will believe to be the right thing to do, at the very least this 'code' is labelled differently under the Barclay's Lens which is expected to be applied to all decisions made as well as including questions that provoke thought. Treviño and Brown (2004) remind us that moral judgement [as the subject of codes of ethics] focusses on deciding what is right. "Even when people make the right decision, they may find it difficult to follow through and do what is right" (pg.71). This may be due to a lack of cognitive sophistication, contextual pressures or simply not knowing what to do next. A behavioural decision-making strategy can help with this.

The question of whether codes of ethics should be labelled separately from other business codes because they should introduce behaviours and tools rather than rules is up to each

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[15] Available at https://home.barclays/citizenship/the-way-we-do-business/code-of-conduct. Retrieved on 24/02/2020

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organisation to determine. Either way it is helpful to introduce practical tools that can be applied to grey areas where *employees simply do not know what to do next*. Knowing that there may not be one right answer but offering a decision-making process or framework that improves the quality and transparency of decision making can help with next steps (Iordanou and Iordanou, 2017). This can also give decision makers greater confidence in their decision making from exploring risks in their options more thoroughly. Ethics codes or those developed for the purpose of organisational sustainability should be a living tool to promote conversations about ethics and morals and so air differences in beliefs and values. This is what I set out to build for ABC Pharma and also why this enquiry is positioned within the literature on behavioural decision strategies as explained towards the end.

While this new generation of ethics codes for organisational sustainability is being developed as more than a system of rules, we should not disregard everything that has been learnt and written about how to successfully implement a business code in the past. A lot has been written about what makes a successful business code and I cannot claim that what we are doing at ABC Pharma is so different that it would not benefit from these lessons. Besides, traditional business codes have varied so much in content, spirit and purpose, yet the lessons learnt in implementing them have been so aligned as to be uncontroversial.

What makes an effective business code?

Kaptein and Schwartz (2008) formalise their definition of a business code as *a distinct and formal document containing a set of prescriptions developed by and for a company to guide present and future behaviour on multiple issues of at least its managers and employees toward one another, the company, external stakeholders and/or society in general*.

What we are proposing at ABC is not a traditional code of practice as outlined above but a set of guidelines and prompts to promote ethical awareness in decision making beyond rules-based approaches. However, the research on what makes an effective code is applicable and worth bearing in mind as we embark on this journey.

To be effective, empirical research has shown that codes should at least embody the following:
- Clarity of purpose. The more difficult it is to see the objectives of a business code the less likely employees are to know what it is for and hence, less likely to engage with it, or take it seriously (Kaptein and Schwartz, 2008; Treviño *et al*, 1999). Stevens (1999) suggests

that success increases when employees are able to act upon a code intuitively. Suggesting that they should be clear and relatable.

- Kaptein and Wempe (1998) suggest that a code is nothing; coding is everything yet by 2008 Kaptein and Schwartz had been unable to find any empirical study that related the impact of the code to the process used to develop or update it and suggested this as a possible area of further research. Given ABC's collaborative nature we believed that an inclusive creation and implementation phase was essential to stimulate a sense of ownership. Recognising, however, that the effect would be transient as the Guidelines were implemented and the original project and advisory teams moved on.

- Maintain a living and relevant code that encouraged open discussions about ethics in day-to-day organisational activities and incorporating it into decision-making was also found to be important (Treviño and Brown, 2004).

- Calls for a strong corporate culture to support a code were widespread. These should include efforts to increase ethical standards and decrease pressure to behave unethically (Chen, Sawyers and Williams, 1997).

- Finally, employees must perceive formal policy to be more than window dressing (Treviño and Brown, 2004) with demonstrable follow-through by working to detect rule violators, by following up on ethical concerns raised by employees, and by demonstrating consistency between ethics and compliance policies and actual organisational practices.

Whilst we were only focussed on designing and implementing ethical decision-making guidelines, it was recognised that without a strong ethics and compliance programme in place, it would not be as effective as it could be. The project sponsors were satisfied that what they developed after the 5-year supervisory period was sufficient to meet these requirements.

Exploring the literature on what is a good decision and how to make one?

With an understanding of effective business codes, some background in ethics and everything we had learnt from colleagues and previous experiences at ABC Pharma, I began working on the Ethical Decision-Making Guidelines. Naturally, this incorporated my previous knowledge of decision making. What follows is an exploration of the theoretical and practical knowledge that my practice is built on. I gained tremendous satisfaction from undertaking this literature review on the topic as it brings together all the different threads that I have been gathering over the years in my practice and weaves them into a coherent story. Later on you will see how the ideas raised in this literature review directly impact the Guidelines.

Purpose of this knowledge review

This knowledge review serves as a standalone piece to track the evolution of influential decision-making research, theories and practices and update older ideas. It also shows the influence of both practice and theory on the creation of my professional offering through adding depth and breadth to my own knowledge and allowing me to contrast the theory with my experience as a practitioner in the field. Finally, it allows me to show that the ethical decision-making framework built for ABC Pharma is grounded in both theory and practice.

Introduction

God is, or He is not.

But to which side shall we incline? Reason can decide nothing here… A game is being played at the extremity of this infinite distance where heads or tails will turn up.

What will you wager?

- Pascal's Wager[16]

Pascal proposed that to be alive is to participate in the ultimate wager - to choose between two uncertainties that reason cannot illuminate; one that there is a God and an afterlife of peace and prosperity will follow a life of sacrifice and devotion. The other that there is no God and piety earns no other-worldly reward.

What do you choose to believe? How did you decide? Perhaps your risk profile swayed your thinking; do you enjoy a gamble or prefer a safe bet? Perhaps your time horizon informed your choice; do you prefer to make the most of the here and now and leave the future to take care of itself?

Or perhaps you wondered about the odds of there being a God, omnipotent and benevolent enough to create an afterlife sanctuary to incentivise devotion? Life, it seems, is a game of chance. Such games have attracted mathematicians as far back as the 16th century with attempts to analyse outcomes through probabilities and how to cheat at them convincingly (Cardano, [1663], 2015). The mathematical treatment of Pascal's Wager was the first, recorded, use of formal decision theory in western philosophy. Ground breaking in its contribution to the aborning field of probability theory and subsequently made possible the ever-familiar bell

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[16] Blaise Pascal is a seventeenth-century French philosopher, mathematician and physicist. Quote taken from: Pascal's Pensees Part III — "The Necessity of the Wager" (Trotter translation), at Classical Library (Wager found at pg. 233)

curve, regression towards the mean, subjective probabilities, utility maximisation, formal risk analysis and many of the other theories and tools that have filled the canon of rational choice over time (McFall, 2015).

Whether you decided to believe in a God or not, do you believe you have made a good decision? What criteria can you use to judge it?

What makes a good decision?

How to make 'good' decisions in practice, under conditions of uncertainty is the question that has motivated my professional practice over the last decade. Unsurprisingly then it forms the foundation of my study and frames my exploration of the existing research and literature as a lens through which I have sought to deepen my knowledge and inform my efforts. It is a simple question at first blush yet pursuing it has led me to explore both the rich and divergent history of decision making alongside my professional and personal experience of it only to discover that there is no simply answer available and certainly no grand theory of good decision making.

At the end of it all, am I any closer to answering the question of what makes a 'good' decision? Yes, and, no. Instead of a definitive answer I have gathered a collection of best practices that contribute to improved decision quality. Through the case study and subsequent work, I was able to put these into practice in ways that were far richer and far simpler than I expected would be possible. At the end of it all, I can offer organisations and practitioners some clear perspectives on how to put divergent decision-making theories to work in a corporate setting and an extensive case study to contribute to the literature on how to design, deliver and measure a behavioural decision strategy. The foundation of this has been my a-priori professional knowledge and experience, research and the findings of others in various fields that explore choice behaviours as well as the explicit experiences and learnings from the case explored in this enquiry.

How did I decide on what literature to review and evaluate?

Fully aware that even a neutral literature review is framed by the journey that the reviewer took in creating it. Every decision that is made about what to include, exclude, search terms to use in library searches and papers to explore from bibliographies is guided by a particular frame that serves to further a particular perspective. Of course, like a mental bias or heuristic, this frame could be, and usually is, unobservable to its owner (Sibony *et al*, 2017). How can we counter a frame of mind we may not be aware of? As we will explore later in working with individual

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and group biases, opening up one's thinking process to scrutiny by oneself and others, helps surface idiosyncratic goals and influential frames. Onwuegbuzie and Frels (2016, pg. 10) suggest that reviewers should strive to be "systematic rather than neutral" and in order to do this we should document and follow systematic routines highlighting how particular biases are negotiated through these.

As mental biases are behaviourally and neurally hardwired and so can lie beyond conscious observation (Sibony *et al*, 2017), I cannot promise that I can identify, let alone, negotiate my own implicit biases but I will attempt to be systematic and clear on the frames or lenses through which I undertake the literature search as well as the goals for them. Given the burgeoning literature on decision making, this has proven to be a useful guide. I had originally planned to explore decision making theories across mathematics, psychology, neuropsychology and organisational and business studies. I felt this would give me the breadth and credibility I needed to research and contribute something novel to the field of organisational decision making whilst testing and supplementing the handful of theories that already informed my professional practice.

The number of scholarly and peer reviewed articles accessible through the Middlesex online library on the topic of decision-making theory (as of 26th of November 2018) showed me how daunting, if not impossible, this goal would be.

Table 2 – Number of scholarly articles on *decision making*

Subject area	Articles published -All available	Since 2000	Growth since 2000
Decision making	73k	58k	387%
Economics	132k	103k	355%
Business	120k	96k	400%

I had to be able to focus on the literature that would best support my research aims whilst equipping me with tools to be objective. I knew I wanted to pursue the question of what makes a good decision and by derivation; how to judge the quality of a decision, as that was the question that brought me here in the first place and would be of most value to my practice and clients. It would also allow me to ensure that the EDM Guidelines were using effective decision-making tools and we were able to measure this appropriately.

This is not a novel question and I am certainly not alone in pursuing it. In fact, the question of decision quality is the essence of decision sciences (Gideon and de Bruin, 2003, pg 347). I had

already learnt through my professional experience that this is a challenging topic to explore. The sheer variety of types of decisions and decision makers, context and criteria render it broad and ill-defined (von Winterfeldt, 1980; Keren and Bruine de Bruin, 2003). Similarly, various classes of decisions would require different success and measurement criteria. The boundaries of a decision and its impacts can also be fairly fuzzy, with multiple effects and orders of impact over varying time scales (Goldsmith and Sahlin, 1982).

Thankfully, defining what a decision is is not particularly controversial as there is agreement that decisions are deliberate mental actions in which a course of action or inaction is chosen from alternatives (McFall, 2015). This could involve a great deal of internal effort or very little, making the decision appear automatic and hence heuristic or reflexive (Redish, 2013). There is less agreement on what those actions are or what results in a good decision outcome or even what a good decision outcome is - not unlike the search for particular values or virtues against which to judge an action as moral or ethical. There is also neither a method nor universally accepted criteria against which to judge the quality of a decision. Should one rate a decision based on its outcome (Varenhorst, 1975), the process used in generating an outcome (Savage, 1954; Luce and Raiffa, 1957) or the level of rationality underlying it (von Neumann and Morgenstern, 1953)? Or all of these? Again, the similarities between ethical traditions and decision making is clear but not surprising given that ethics offers guidance when faced with ethical dilemmas. It helps us choose the course of action considered to be most ethical. I find that the questions around how to judge a good decision are equally applicable in judging the morality of a choice or behaviour. If based on outcome, then from whose point of view is the outcome to be evaluated? Should one judge the decision maker or the decision within or without of the continuum or system in which it resides? What about the context, including the history and how information is framed, filtered and processed? Who decides what is rational in each instance or to whom can we turn for the best decision-making process or meta-theory? In the same way, who is in a position to judge the ethics of a choice? With the reduced role of clergy and philosophers globally, are governments or judiciaries in a position to judge morality? Who judges them? Can decisions be judged at all or should we just give up and rely on hindsight narratives or consequences to justify our choices in a teleontological refrain?

On reflection I found it interesting to see the parallels between these questions around decision making and the nature of normative ethics traditions. In the latter, one can decide to judge an action by the nature of the action itself relative to a series of rules (deontological) or focus instead on the consequences of the action (teleontological). But in order to judge, one must

know the rules and so be able to tell right from wrong action or understand desirable virtues or values that can label the consequences of action as desirable or not.

Whilst these ethics themes permeate decision making, I feel that decision-making practitioners agree (albeit not unanimously) more readily that neither evaluating the decision itself nor the consequences of that decision are the best way to judge it. Yet we do offer sound practices, not unlike virtues, that improve decision-making outcomes by reducing risk from bias, effects of emotions and the impact of uncertainty. The challenge in creating a coherent, and ultimately practical, structure to improve decision making is that, unlike the field of moral philosophy, decision making is broader in the practices it touches on but far shallower in terms of the depth of insight it reaches, perhaps because it is not as old a field of study and benefits most from modern advances in technology and research and less from philosophy.

In searching for a practical answer to what makes a good decision, this breadth of literature meant that there was not an obvious starting point. No map with a *you are here* arrow appeared in my preliminary search. Of course, as a practitioner in the field, I could begin by confirming what I already knew but such purposeful engaging in confirmation bias would not be a credible start to any study.

Sound practice dictates that I set an overarching criterion for choosing which academic papers I would include and by definition, exclude. I was advised that the most popular method is to decide which are seminal and to do so I could find the number of citations for each article on Google Scholar and safely refer to those that are most cited as the most influential. Whilst I see the usefulness in this approach it also feels like a self-fulfilling metric. Suppose that I select a paper based on citations and so increase the citation by one and every other student in my area does so, based on citation numbers alone. The more an article is cited, the more influential and hence quoted it becomes. Citation numbers would eventually decouple from the quality or usefulness of the paper. It is a bit like reviews on Amazon because the more 4 and 5-star reviews you have, the higher your product will appear in a search and the more likely someone is to buy it and hence, give it another review. A perfectly adequate competitive product entering the market later will be so far behind on reviews that it might never live up to its commercial potential organically. This creates an artificial market for reviews and in the same way, citations. I have no doubt there is merit in much of the love that articles receive from students and researchers who do not have a lifetime to pursue everything written on their subject, but I find myself wondering if there is another way?

In decision making there are some individuals who are considered academic superstars, not because they have the biggest following on twitter or herd re-enforced fame but because the merits and contributions of their work have been judged by a committee of peers and deemed to have conferred the greatest benefit to humankind[17] and so worthy of the honour of a Nobel Prize. Decision making falls within economics and the award received is officially known as The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel and is strictly not a Nobel Prize as it was not established in Alfred Nobel's will, but nomination and award follow the same principles as for the other Nobel Prizes. In the words of the selection committee, "When trying to define a Prize-worthy contribution, the selection committee has not relied much on quantitative indicators such as the number of nominations or the frequency of citations, even though the Prize winners usually rank very high on both accounts. Indeed, there are a number of exceptions of prize winners who have received quite few nominations and who also rank quite low in citation indices[18]."

The first Nobel in Economics was awarded in 1969 but the first to be awarded for a contribution to decision making was to Herbert Simon in 1978 and thereafter to Maurice Allais in 1988, John Nash in 1994, Robert Lucas Jnr in 1995, Daniel McFadden and James Heckman in 2000, Daniel Kahneman in 2002 (for work jointly produced with Amos Tversky in 1979) and Richard Thaler in 2017.

A significant number of Nobels have been awarded for contributions to other areas of economics such as investments and asset pricing, banking, monetary and fiscal policy, economic co-operation, contract theory and others - none of which are directly relevant to my study and so will be omitted. I can also exclude the work of John Nash (Nash, 1950) as work on non co-operative games including the famous Nash Equilibrium won't impact this study. Although Game theory will be touched on through the work of its founders; Von Neuman and Morgernstern (1953). Both decision making superstars but without the Nobel appellation (however the former was awarded the Bôcher Memorial Prize in 1938 and in 2013, the latter had a square named in his honour at the University of Vienna). Robert Lucas will also be excluded as his work on rational expectations, which showed that the aggregate expectations of

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[17] From Alfred Nobel's will found at: NobelPrize.org. Nobel Media AB 2018. Fri. 14 Dec 2018. https://www.nobelprize.org/alfred-nobel/alfred-nobels-will-2/

[18] Retrieved from https://www.nobelprize.org/prizes/uncategorized/the-sveriges-riksbank-prize-in-economic-sciences-in-memory-of-alfred-nobel-1969-2007 on 14 May 2020

individuals over time could be considered rational and unbiased and so would not differ from the equilibrium position within macroeconomic modelling, is not relevant to this study. This is not to be confused with rational choice theory which explores choice behaviour at an individual level and is relevant here. Of course, not every impactful career is recognised through honours and many authors and researchers have contributed notable ideas as well as reductionist or even grand theories that move us forward towards greater understanding in their fields. As a practitioner, I am drawn to ideas not only that highlight how we make decisions such as the many reductionist theories in behavioural economics but, and especially, those that can improve the quality of our decision making in a real-world context. As a result, this area is peppered with diverse ideas from divergent theories that have popped up wherever decisions are made.

In exploring Nobel prize winning contributions as my starting point, I won't focus on a particular paper as many of these seminal theories were expounded over a series of writings or even a lifetime but rather focus on the authors and read a synergy of papers that explore their contribution, its impact and influence, always trying to start with the original paper that first introduced the idea - although that has not always been available. The development of decision-making was linear initially with ideas building on each other to add to or question those that came before - and so allowing the field to plot a course in an orderly fashion. After this orderly start, the work of psychologists Kahneman and Tversky (1979) "blew a hole in [mathematical] economic theory, for psychology to enter" (Lewis, 2016, pg. 284). This is where things get a little less clear cut and my choice of literature changes from a top down to a bottom up, case by case, approach to help me navigate the multidisciplinary nature and sheer size of the decision-making literature generated over the last decade or so, as mentioned earlier.

In addition, despite having my Nobel laureates lined up, I did not feel that espousing the history of decision making through-award winning theories would adequately answer my question of what is a good decision? I would need more than an historical perspective and major theories. I would also need some criteria or lens through which to approach my literature search beyond the perspectives that Nobel-winning theories offered, especially with a bottom up approach. Where would I start?

Shortly after acknowledging that I was a bit stuck, I facilitated a discussion on decision making[19] with a board of senior decision makers in London and opened by asking; What do

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[19] Choosing Wisely: The Science and Art of Good Decision Making (2015-2019) is a facilitated discussion aimed at improving decision quality amongst senior executives.

you think makes a good decision? I open most engagements with this question[20] and I always receive a similar range of answers. However, I had never considered these responses, gathered over a decade from decision makers, who were interested in the topic of decision making, to be data of any kind - just a way to get an audience thinking. Except this time, it got me thinking. what if I used their responses as the starting point to explore good decision making in theory? After all, here I had decision makers who were in a large part responsible for the wellbeing of medium and large organisations telling me what they believed a good decision was. So, I decided to use their answers (weighted by the most common ones I have received over time) as an idea to test and see if the literature concurred or challenged their thinking and experience.

So, my crowdsourced answers, in the order of frequency with which I receive them, is that:
A good decision
- achieves its objectives
- logically considers or weighs all the options at hand
- avoids thinking clouded by emotions
- aligns to the organisations or individual's goals and values
- avoids regret

Of course, the danger here is that these correctly describe a good decision, if so, there is nothing more for me to learn or add - but I do not know that until I test it. On the other hand, if they are all wrong, have I wasted my time? In the spirit of full disclosure, I already had views on many of these suggestions, I would not be very good at my job if I did not, and so I see this as an opportunity to test those views and build a scorecard that decision makers in organisations can relate to and benefit from as the ultimate beneficiaries of a professional doctorate.

Testing my crowdsourced answer with theory
What makes a 'good' decision in theory?

That a good decision achieves its objective/s is the most common answer I received in my crowdsourced answer - this would argue that the belief exists that outcomes are integral in decision quality and hence I should explore this in the literature. However, it is not the first metric I am going to test in theory but the last as it will be a good introduction to the next section, if all goes well. Instead I am going to start with the second most mentioned metric that a good decision logically considers or weighs all the options at hand. Of course, one cannot

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[20] Engagements to over 5000 people covering 22 different nationalities over 10 years between 2009 and 2018

weigh ALL the options available but only the options that one is aware of and so a modification might be required to this statement upfront. But what about logic? How important is it in terms of decision quality? Should it be used to judge the latter and if so, how? Could it be the first rule of good decision making?

Must a good decision be rational?

> Hamlet: "What a piece of work is a man! how noble in reason! how infinite in faculties!"
>
> Hamlet, II.2.319.

From the Greek 'logos' meaning reason, logic describes reasoning conducted or assessed according to strict principles of validity[21]. The online Oxford Dictionary also tells us that logic is foundational to rationality which is the quality of being endowed with the capacity to reason sensibly or logically[22]. Apparently, this is a trait that distinguished man[kind] from animals.

Mankind's capacity to employ rationality and hence, logic, in reasoning was the first, and is still the most endearing measure, of good decision making. But there is a little more to it than the Oxford dictionary lets on.

Pascal had reasoned that man should indeed believe in God as the sacrifice of a lifetime of devotion was a small fee to participate in a gamble[23] with the payoff of an eternal afterlife in Heaven. It was considered logical to choose the gamble with the highest expected or probability-weighted value or payoff (Mcfall, 2015). Yet, even in the early 18th century, it was evident that this was not necessarily how we decided. Swiss mathematician Daniel Bernoulli[24] (1700-1782) explained our seemingly odd choices by introducing a theoretical pauper who was fortunate enough to chance upon a lottery ticket offering him an equal opportunity to win a large sum of money (say £10 000[25]) or nothing at all (Bernoulli, [1738] 1954). Clearly, he has nothing to lose by taking the gamble with a probability weighted value of £5,000. Yet, might he not be better off selling that ticket for less than £5,000? His situation means that he would value

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[21] https://en.oxforddictionaries.com/definition/rationality retrieved on 28/11/2018; search term: "logic"

[22] https://en.oxforddictionaries.com/definition/rationality retrieved on 28/11/2018: search term: "rationality"

[23] A risky action undertaken with the hope of success from https://en.oxforddictionaries.com/definition/gamble. Retrieved on 29/11/2018

[24] Bernoulli could not have been a Nobel laureate in the 1800's but his work, nevertheless, inspired several award-winning theories.

[25] The original currency quoted was a European trading currency consisting of gold, silver and other metallic coins called ducats.

even £1,000 in hand more than a 50% opportunity to win £10,000. The utility or subjective value that he gets from the former is higher than the latter. Following this, considering a gamble not in terms of monetary outcomes but rather in terms of maximising one's utility seemed perfectly rational as did suffering from decreasing marginal utility (Goldstein and Weber, 1995) as one accumulated or experienced more of something (if you had £50,000 then you would be more likely to take the gamble as gaining, an additional £10,000 would be of less value to you). I find the parallels with Confucian ethics here interesting. One cannot evaluate the choice by either the decision taken or the consequences of the decision because the context within which it is taken determine the value of the outcome to the decision maker. Unlike the latter, decision theory did not continue to develop the pre-theoretical influences on choice behaviour as is evident in Chinese ethics (Wong, 2018; Kupperman, 1999) but rather follow the Western ethics traditions of increased emphasis on theoretical purity despite overwhelming evidence that humans do not conform to decision making ideals or rules. Partly explained by the relative influence and standing of mathematicians in decision theory at the time.

The development of a rational decision theory was first posited by mathematician John von Neumann and economist Oskar Morgenstern ([1953], 2007)[26] who offered a mathematical theory of decision-making underpinned by Bernoulli's principle of maximising expected utility or rewards that may differ from the monetary value of a gamble. They explored the conditions under which the expected utility hypothesis would be valid and suggested four axioms

- Completeness: This assumes that a decision maker has known and well-defined preferences amongst a set of outcomes
- Transitivity: All preferences are consistent and that a tipping point exists where one option will be better than or worse than an adjacent option.
- Continuity: If outcome A is preferred to outcome B and B to outcome C then there should exist a gamble in which we are indifferent between receiving B or playing a lottery in which we would receive A with probability p, or C with probability 1-p.
- Independence: a rational choice between two alternatives should depend on how those choices differ, not on any factors they have in common (Pool, 1988)

These axioms described rational decision makers as those with well-defined and stable preferences that are non-transient and independent of each other. These axioms can be

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[26]Again, pre-Nobel, but giants in the world of decision-making. Initially because their axioms inspired several notable contributions that led to the field of behavioural economics. Later they introduced the tools of game theory along with John Nash.

recognised as the strict principles of validity or logic, against which rationality is secured as per the Oxford Dictionary definition quoted earlier. The mathematical proofs of expected utility theory showed that a rational decision maker (whose choices conformed to the axioms) would select the option that maximised their expected utility for a particular level of risk and so allowed for the influence of risk aversion in economics (McFall, 2015). This also allowed an astute decision scientist to deduce a decision maker's utility function (range of preferences) and hence predict their choices in terms of maximising expected utility given known probabilities (Frisch and Clemen, 1994). For this theory to be useful, the decision maker had to know what the probabilities were of outcomes occurring, for example, if you are partaking in a board game then the probabilities of a fair dice landing on each number from 1 to 6 are known. However, in everyday decision making we do not always have the luxury of such objective probabilities.

Mathematician and statistician Leonard Savage ([1954] 1972) extended expected utility theory to circumstances in which the actual probabilities of outcomes occurring where unknown. This subjective expected utility theory (SEU) allowed for probabilities that were influenced by a-priory assumptions and beliefs of the decision maker. Nevertheless, once realised or stated, these beliefs would need to be logical and conform to the axioms of the expected utility hypothesis. For example: if you were securing a mortgage to buy a new house, you could work out the impact on your repayments of each level of interest rate. You would also have to have a view on how likely each of these interest rate levels were. This would be based on your (or your advisor's) view of economic performance over the life of the mortgage. No-one can know how an economy will perform over 20 years and so these probabilities would be a belief-fuelled guess.

Expected utility theory and subjective expected utility theory served multiple, exclusive roles in decision making for almost half a century. Firstly, as a normative model to guide a decision maker's choices (Fishburn, 1988; Keeney and Raiffa, 1976), ensuring that reasoning is conducted logically. Secondly, if one believes that the axioms accurately reflect rationality, then as a benchmark to judge the logic underlying decision making (von Winterfeldt and Edwards, 1986), and lastly as a descriptive model that described how people will actually engage in choice behaviour (Frisch and Clemen, 1994; Kahneman and Tversky, 1979).

This intuitively appealing definition of rational decision making has persisted, especially in economics. In the 1970's, Nobel laureate (1992) and behavioural scientist, Gary Becker, boldly observed that, "All human behaviour can be viewed as involving participants who maximise

their utility from a stable set of preferences and accumulate an optimum amount of information and other inputs from a variety of markets," (Becker, 1976, pg.14.), Although he goes on to clarify that human behaviour cannot be compartmentalised and preferences may be stable or volatile, information sought complete or incomplete, ultimately, he proposed that expected utility could offer a framework for understanding and predicting human behaviour and hence, decision making.

Yet, neither expected utility theories can account for decision makers who choose between uncertain outcomes according to a principle other than maximising expected utility (whether subjective or not) or those whose preferences are neither stable nor volatile but random or based on unconscious or emotional criteria including situational context. Then there are decision makers who do not know exactly what will maximise utility for their specific situation. Decision makers may, for example, hold multiple, ambiguous (Keren and Bruine de Bruin, 2003) co-dependent and even unstable goals that are inconsistent with one another. Far from being the exception, any combination of these is the norm, making it difficult to decide how to judge the quality, or the logic, of a choice in hindsight, especially when the decisions faced by a practitioner are often vague and ill-defined (Fischhoff, 1996).

Far from being a mistake to be buried in online libraries only to be recalled by PhD students writing a literature review, the early ideas in expected utility theory have fundamentally shaped contemporary decision-making research as its axioms and inability to model actual choice behaviour became the springboard for a proliferation of activity in decision making including the obvious question of, "If we are not rational, then what are we?"

"Saying that we are irrational is like saying we do not have fur"
Daniel Kahneman in Lewis, 2016

This challenge was most enthusiastically picked up by researchers in psychology, who may well have thought that mathematicians had strolled into a domain that was not really their forté. After all, should not decision making in theory reflect decision making in practice? And so, the theory of decision making become the table at which economists and psychologists could work together to challenge the existence *of homo economicus* and reframe rationality to better reflect the reality and rationality of Homo sapiens.

The differences in the mathematical and psychological treatments of decision making soon became apparent. In comparing models of adaptive behaviour found in psychology, such as learning theory, with the models of rational decision making appearing in economics, Nobel laureate economist, political scientist and cognitive psychologist, Herbert Simon (1956) discovered that the latter proposed a much more complex mechanism of decision making that relied on decision makers having a much larger capacity for gathering information and making calculations than the former did. Learning theories also seemed to account more accurately for actual decision behaviour. Simon suggested that since we suffer from limited computational facilities and are almost always subjected to limited information, we can be expected to employ an "approximate" form of rationality (Simon, 1956, pg.129) that he called bounded rationality or satisficing. It describes how we strive for choices that return a satisfactory outcome and stop searching when we believe we have found this, rather than continuing until we have reached the optimum outcome, if such a thing exists.

"Whereas economic man maximises, selects the best alternative from among all those available to him, his cousin, administrative man, satisfices, looks for a course of action that is satisfactory or *good enough*". Simon (1956).

In my own work in exploring problem domains with clients and, especially in tackling wicked problems (Rittel and Webber, 1973) we do not explicitly use the words satisficing or even rationality, but the chosen course of action is often the least worst or the one that will obtain a pre-determined floor such as a profit target rather than maximising profit. Apart from the constraints of limited processing power and incomplete information (even if we had full information, we could not completely process it) additional limits are always present as we choose between courses of action - such as limits to money, time, capability, emotional capacity and others.

In reviewing decades of evidence of man's tendency to be bounded in rationality Conlisk (1996) concluded that there was wide ranging evidence in both psychology and economics to prove the importance of bounded rationality. The earliest and most famous of these was Allais' paradox posited by French economist and Nobel Laureate Maurice Allais in 1953. It showed how ordinary preferences could and do contradict utility theory (Pool, 1988), specifically the axiom of independence. In fact, Conlisk (1996, pg.686) showed that economic models that included bounds on rationality had notably more success in describing economic behaviour. Partly because bounded rationality adhered to the fundamental economic principle of scarcity

of resources and in this case the scarce resource was human cognition in the form of deliberation costs. He did caution, however, that the rationality assumption applied in measuring decisions should vary by context including such conditions as deliberation cost, complexity, incentives, experience, and market discipline (Pool, 1988, pg.692).

Does this mean then, that a strict and universal measure of logic and rationality cannot be criteria with which to judge a decision? That good decision making cannot include logically considering or weighing all the options at hand as suggested in my crowdsourced answer? It would be very tempting at this stage to say yes and exclude logic from considerations of good decision making. But perhaps, like me, you also feel a little uncomfortable with that? I must also ask the question: if we cannot really lay claim to perfectly logical considerations of the options at hand, why then is it cited by decision makers as so important in decision quality? Surely there is a belief that there is some universal form of logic or rationality that we are able to rely on in our thinking? If the latter is not available to us in our decision making, then how can we trust our decisions or evaluate them or those of others?

What's needed here is to "get a little more comfortable with a messier view of human nature" (Lewis, 2016, quoting Tversky, pg.256) which is exactly what psychologists had been comfortable with for quite some time, far more than economists and mathematicians. Amos Tversky was a psychologist (with a good grasp of mathematics) and long-time collaborator of Daniel Kahneman (also an Israeli psychologist) that had been exploring the limitations of man's cognitive abilities in both military and university settings. In exploring the extraordinary partnership between Tversky and Kahneman, Lewis (2016) shares Tversky's views on utility theory: "Our strategy should be to take the offensive in building a case, not against utility theory, but for an alternative conception that brings man's limitations in as a constraint" (pg.256). Tversky had warned that it would be hard to pit any alternative theory against utility theory because of how general it was, and therefore hard to refute. Their collaboration gave psychologists a seat at the table of decision-making research and opened up the world of behavioural economics, which moved away from exploring normative, rational choice theories to descriptive theories of choice behaviour and so grew a whole new limb on the body of research of choice behaviour.

In their opening salvo against expected utility theory they argued that utility theory, as it is commonly interpreted and applied, "is not an adequate descriptive model" and went on to

propose an alternative description of choice behaviour under conditions of uncertainty (Kahneman and Tversky, 1979, pg. 263).

Kahneman had noted that utility theory represented gains and returns to gambles at absolute levels yet he suspected that changes in gains and how they affected relative levels of utility might play a more significant role in choice behaviour. Tversky built on this insight by testing if we made different choices when faced with losses rather than just the gains found in utility theory. The results were clear and staggering and became the foundation of Prospect Theory for which Kahneman received a Nobel Prize in 2002 (Tversky had passed away by the time of the award). In it they proved that we are, generally speaking, risk seeking as concerns sure losses and risk averse as concerns sure gains (Kahneman and Tversky, 1979). We feel a loss more deeply than we feel a gain and so, when choosing between sure gains and gambles, people's desire to avoid loss exceeded their desire to secure gain (Lewis, 2016, pg 269). This was shown to be a general quality of the human condition rather than something we reserved only for monetary gambles. They speculated that avoiding pain (from loss or other) at the cost of maximising gain was a useful survival tactic. Tversky and Kahneman's research also found that we weigh probabilities not with subjective utility but with emotion. In doing so they were able to solve the Allais paradox as well as other anomalies in human behaviour including why we take out insurance but by lottery tickets (Lewis, 2016, Pg 271) or tip at a restaurant that we never intend to return to. The realisation that framing gambles in terms of a loss or a gain (for example stating that a procedure has an 85% change of success versus stating that the same procedure has a 15% chance of failure) resulted in us learning that choice behaviour is dependent on how problems are presented or framed (Tversky and Kahneman, 1981).

If we are systematically irrational should a good decision at least be free from cognitive bias such as framing? Can we systematically remove bias from our thinking? The practicalities of reducing bias through de-biasing strategies are covered in the companion book to this enquiry - DECIDE -on pages 99 to 107. The Guidelines will serve, in part, as a debiasing strategy which we will explore at the end of this literature review.

What does this mean for rationality? So far, we've seen that the traditional, economic definition of rationality (deciding according to the axioms of expected utility) does not get to be a metric against which to measure a good decision. In taking a broader view of rationality like Conlisk (1996), Gerd Gigerenzer has challenged the normative idea that rational choice stems from a stable set of preferences (rational choice theory) or outsmarting systematised irrationality.

Perhaps rationality embodies different qualities that are dependent on context and hence the idea that we are irrational because we do not follow a stable set of preferences is no longer valid. An alternative definition of rationality can be found in Gigerenzer's (2008) idea of ecological rationality where the optimal choice or action depends upon the circumstances under which it takes place, allowing one to violate the principles of rationality in order to be rational. Yet, I feel that because decision context is usually subjective, each party to it will have their own interpretation and hence rationality is again in dispute.

Perhaps then a better definition of rational choice is that which, according to Hastie and Dawes (2010), meets the following four criteria (pg. 16): "A measure of rationality is

- based on a decision maker's current assets (material and psychological potential and limitations),
- based on the possible consequences of the choice.
- Where the above are uncertain they are evaluated probabilistically and
- where the choice is adaptive within the constraints of 1-3 above."

This allows us to create an internal or subjective form of rationality where we make the best possible choice we can using traditional decision-making strategies such as consideration of the possible consequences as well as the probabilities of those consequences occurring BUT within the confines of our physical and psychological assets. In order to do this, we need to have an understanding of the influence of the latter which behavioural economics argues is rather hard for us to do as we generally fall foul of a litany of cognitive biases that can be loosely grouped under framing and heuristic biases as well as other decision making strategies such as habit, conformity and religion or values-based reasoning (Hastie and Dawes, 2010). Increasingly, emotions are falling into the category of internal processes that bias our thinking. Not only are they lenses through which we view information and so taint incoming data (LeDoux, 2015) they serve as preconscious drivers of choice behaviour. A decision made without the influence of emotions is the 3rd most common answer I get to the question of "what is a good decision?" But is this possible?

Avoids thinking clouded by emotions

A revolution in the science of emotion has emerged in recent decades, with the potential to create a paradigm shift in decision theories. (Lerner *et al*, 2015, abstract)

Following on from early philosophical observations of the power of emotions to drive actions against man's will and reason (Descartes and Voss, 1989; Darwin, 1872/1965), it was first proposed by Robert Zajonc (1980) that emotions could not only operate independently of cognitive thought but also in advance of it. Today imaging studies have shown us that emotions can indeed operate independently and or in anticipation of cognitive operations (Phelps *et al*, 2014; LeDoux, 2015) but they also show us that the reality of the interplay between the two is neither linear nor able to be delineated into two neat spheres of influence such as the hot and cold or fast and slow thinking operations that Nobel laureate Daniel Kahneman proposes (2012). Readers may be familiar with the system 1/system 2 or fast/slow, hot/cold systems (Figner *et al*, 2009) made famous by Nobel laureate Daniel Kahneman's Thinking Fast and Slow (2012). This dual process theory argues for two systems that work in opposition to each other as suggested by their catchy titles. Emotions being hot; subconscious, and therefore automatic and quick, and reason being conscious, slow, deliberate and therefore cool. The former promoting risk taking through impulse; the latter through inhibitory control which stifles impulse and so allows for considered thought. Decision making then occurs on an internal battleground where these systems vie for prevalence. In fact, there are emotional circuits in the brain that do indeed send faster subcortical signals than those that travel via the cortex (Phelps *et al*, 2014) - but only in very specific circumstances. Such dominant dual process theories and the idea that we can counteract our impulsive nature through nurturing our rational tendencies - more head and less heart in our decision making - have proven popular and easy to administer through emotional intelligence and other leadership trainings like Daniel Goleman's catchy but ultimately unscientific 'amygdala highjack" (Goleman, 1996). Today, cognitive neuroscience allows researchers to test such theories and hypotheses that would otherwise have remained misleading or purely theoretical.

This dual system approach relies, in theory, on separate neurological circuits operating independently in our brains. Phelps *et al* (2014) argue that, "without a clear occurrence of a [discrete] emotion system in the brain, it is difficult to conceive of a psychological model that relies on such a two-factor system" (pg. 265) - one that generates emotion and another for cognition. This fictitious 'emotional brain' is often cited as the troublemaker in our thinking in emotional intelligence training and leadership lectures by practitioners and educators. In addition, it is often cited as originating from the limbic system concept (MacLean, 1949) - a discrete brain circuit for housing our emotional machinery. Today there is no new theoretical or neuroanatomical findings to support this theory (LeDoux, 2000) but rather the opposite - that brain circuits for both emotion and cognition overlap. A leading neuroscientist in the study of

fear and anxiety, founder of The Emotional Brain Institute and Henry and Lucy Moses Professor of Science at New York University, Joseph LeDoux (2015) advises us to be suspicious of any statement that says a brain area is a centre responsible for some function. The notion of functions being products of discrete brain areas or centres is left over from the days when most evidence about brain function was based on the effects of brain lesions localised to specific areas. Today, evidence suggests that we think of functions as products of systems rather than of areas. Where does this leave decision makers in their quest to remove emotions from decision making?

I undertook a pilot study at the start of my doctoral research. It was an online questionnaire in two parts, the first was about rationality and making unbiased and non-emotive decisions (see appendix X). In this first section I asked 53 mid to senior level decision makers if they made important decisions in a logical and rational way (I did not offer a particular definition of either.) 70% Of them said *yes, they did*. Part 2 of the survey focussed on emotions and the role of intuition and gut feel in judgement and here 80% of the same respondents felt that emotions were valuable and regularly incorporated them into their decision making. Intuitively these respondents were acknowledging their use of a more contemporary form of rationality where emotion and intuition supplement more traditional forms of rationality. Where physiological systems can be an asset if used proportionately, rather than a liability.

We should probably start by getting clear on what an emotion is. If I asked, you might give me everyday examples; happiness, sadness, anger, frustration etc. But these are merely the expression of the emotion - how they make us feel. According to LeDoux, emotions are the physical processes underlying these feelings (2015). He proposes that to feel an emotion one would have to experience something that gives rise to thoughts about the experience. These thoughts would incorporate long-term memories of related experiences that would be combined with chemical information from other areas of your brain and body. All this information is gathered together really quickly and unconsciously in your cognitive workspace, also known as working memory. Only once it bubbled to the surface and caught your attention, would you experience this as a feeling. Sometimes this internal cocktail is not strong enough to be felt consciously and sometimes results from top down rather than bottom up processes. Defensive emotions such as fear are generally bottom up whilst social emotions such as compassion and shame are mostly top down and arise from our conscious appraisal of a situation (LeDoux, 2015). All these emotions are accompanied by a change in chemical composition in our body, each one with a specific chemical signature.

Far from being able to remove the emotional component from our reasoning, emotions are assumed to be the dominant driver of most meaningful decisions that we make (Keltner and Lerner, 2010). Ultimately, they serve us in guiding our attempts to increase wellbeing and positive feelings whilst encouraging decisions that avoid negative experiences (Keltner and Lerner, 2010). They influence both what we think and how we think.

Once triggered, each emotion provides a set of instructions, via chemicals, to the body to prompt certain actions and so act in a coordinating role in our bodies (Frijda, 1988, Levenson, 1994 and Oatley and Jenkins, 1992). These can vary in intensity and quality depending on the situation, but all save mental processing by setting in motion a tried and tested set of responses covering our physiology, behaviour, instructions on how to process incoming information (Lerner and Keltner, 2001) and how to communicate - none of which we have to think about allowing us to respond quickly to problems or opportunities.

That sounds pretty powerful but is it even possible? What I have described seems to be a master-slave relationship. But after 200 000 years of evolution it seems unlikely that we are still a slave to our passions. Slave is certainly too strong a word but think of the first time you fell in love. Your body felt different, your outlook on life was rosier, challenges were not insurmountable, you might even have felt emboldened to take on a few riskier projects. Such periods of temporary positive arousal and the hormones causing it, are set to promote increased risk taking (Galentino, Bonini and Savadori, 2017), whereas fear should do the opposite (Lerner and Keltner, 2000). Investors faced with rapid losses from a stock market crash, that often results in diminished or no bonuses, jobs on the chopping board, reputations at risk etc, tend to enter into a mental slump that dampens risk taking. The extent to which this happens is directly proportion to a substance we know as cortisol, a steroid hormone (Coates, 2012).

Ex Wall Street trader turned researcher, John Coates (2012), showed us how acute exposure to this class of naturally occurring steroid, say during a prolonged period of stress, causes anxiety and selective attention to mostly negative information, people or inputs. This exaggerates threats or risks making them loom larger than they otherwise would. Extended periods of emotional adversity, volatility or uncertainty can be enough to trigger this spiral and change our perception of risk and hence our decision-making profile. In the same way, Coates makes the case that collective increases in fear across boardrooms in response to adversarial market conditions could reduce decision makers' collective appetite for risk, dampen risk taking and

investment and so exaggerate the market conditions that caused the anxiety initially. Coates' research stands out for me because it was conducted on a trading floor with traders facing real consequences to their decisions not in a controlled and risk neutral environment with students or mice as research subjects. But what about other emotions and, ultimately, how will this impact the EDM Guidelines I needed to build?

If emotions have hormonal signatures that impact us in consistent ways, it becomes easier to understand the nature of that impact and its influence on our information processing and decision making - ethical or otherwise. Specific emotions, like lines of code in a computer programme, carry specific "action tendencies" (Frijda, 1986) that signal a universal response to situations such as anger triggering aggression, and disgust triggering avoidance. These are goal-directed responses (Lerner and Keltner and 2000; Lerner and Keltner, 2001) that influence our judgement and decision making until the situation that caused the emotion is resolved. Lerner and Keltner's (2000) review of the literature show us that, not only does an emotion provoke an internal response but it then goes on to act as a lens through which to see or appraise future events. Such as fear amplifying risks as we saw earlier, or anger producing increased faith in our ability to influence outcomes and so downplay risks.

Importantly, if emotions can operate independently and in advance of cognitive thought (Phelps *et al*, 2014 and LeDoux, 2015) then understanding their specific impacts would help us understand their influence on our decision making. Part of me also hopes that the more we know about our emotions' potential to influence our decisions, either consciously or unconsciously, the better we are able to identify and manage that influence in our choices. I wanted to know if this was even possible or if our emotional response was part and parcel of our information processing over which we have no conscious control. Fortunately, in their paper titled *Emotions and Decision Making*, Lerner *et al* (2015), synthesised a great deal of literature on this subject[27] into themes.

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[27] The sheer size of the academic knowledge base that this revolution has delivered, specifically covering emotions in decision making, is overwhelming. Google Scholar tells me that 97,200 papers have been published on the topic since 2015 with 1850 of them published in the first 29 days of 2019 alone. Jennifer Lerner and her research colleagues organised and summarise 35 years of research on emotions and their impact on decision making in a 20-page supplement to their influential paper titled *Emotions and Decision Making* (2015). Theirs was the most comprehensive review I found across the university's online library and Google Scholar. It reminds us that research into emotions is still in its infancy, devoid of established paradigms, without standard definitions of essential terms such as "emotion" and filled with a selection of theories to explain the latter's impact on our judgement.

In it and others, I learnt that there are several ways through which emotions impact our decision making.

1. Integral emotions influence decision making

Integral emotions are those that arise from the situation or choice at hand and strongly and routinely shape decision making (Damasio, 1994, in Lerner *et al* (2015), pg.6.)

2. Incidental emotions influence decision making

Not only are we buffeted by emotions that arise from within a situation but also emotions that carry over from previous situations. If left unchecked, such an emotional hangover can cloud one's judgement for as long as those chemicals course through your body. Once attached to decision targets, integral emotions can have undue influence over our judgement (Lerner *et al*, 2015).

3. Specific emotions influence decision making

Emotions arise from different chemical or hormonal cocktails each following its own recipe. The latter interact with long-term and working memory to create states of being (or arousal) that affect both what we think and how we think. Whilst researchers are continuously honing their knowledge on the influence of specific emotions on various aspects of decision making, below (table 3) is a snapshot compiled during my enquiry.

Table 3 – Influences of specific emotions

Aspect of decision making	Influence of specific emotion			
	Anger	**Happiness**	**Fear**	**Sadness**
Sensitivity to risk	decreases	decreases	increases	increases
Risk seeking	increases	–	decreases	increases
Believing the situation to arise because of the actions of others	increases	decreases	increases	increases
Belief in own ability to influence the outcomes	increases	decreases	increases	increases
Depth of processing	decreases	decreases	increases	increases

Data compiled from Lerner et al (2015)

Two dominant camps of researchers have different angles of view into how emotions should be modelled and labelled, roughly delineated into nature or nurture approaches. Basic emotion

theorists draw evidence from the universality of emotional responses across cultures (Lerner *et al*, 2015 supplemental text, pg.4) as well as non-human primates and other mammals (Panksepp, 2007). Proposing that emotions are "evolutionarily adaptive responses that serve to organize cognitive, judgmental, experiential, behavioural, and physiological reactions to changes in the environment" (Lench *et al*., 2011 p. 849). In the other corner, constructivists, relying heavily on imaging technology, have found that emotions are constructs of the human mind (Lench *et al*., 2011) occurring along continuums of valence (positive/negative) and levels of arousal. With an interplay of valence, arousal and non-emotive information leading to more complex emotional states such as anger (Lerner *et al*, 2015 supplemental text). My reading in this area drew me into what has been likened to the 100-year war between France and England (Lench *et al*., 2011) with battles flaring at various intervals over the true origin of emotion.

If I return to the reason why I am exploring this topic, I am reminded that I am looking for answers to a limited number of questions namely:

- Can we make decisions not clouded by emotion?
- If so, is this helpful?
- If not, is it harmful?
- In short, what is the role that emotion plays in decision making and how much control do we have over its influence?

The origins of our emotional states are interesting, but for the purposes of this enquiry could I not simply accept that emotions occur? Or does how they occur influence the role that they play in our decision making and the ability we have to manage this influence?

Reading a little further, I find myself uncomfortable with the dichotomy proposed. Growing up, no-one taught me how to feel anger or sadness. Lessons on 5-steps to feeling shame, disgust, acceptance etc were not part of any school curriculum. Without even knowing the chemical composition of happiness or love, I could appropriately label those feelings. My 12-year old son keeps asking me how he will know when he loves someone - I find it really difficult to explain because I can only detail my experience with falling in love but what if his experience is different? I do not need to teach him how to fall in love. Yet experiencing love or stress or rejection will result from a combination of environment and psychological factors. Indeed, as a socially aware and sensitive child, he might feel the joy of love and the pain of losing it much more deeply than I do. My council might help him reframe such emotional turmoil to put it in

perspective and minimise its punishment on him. I can accept that both nature (his personality) and nurture (my council) curate his experience of these emotions.

This is in fact what Lindquist and colleagues found (2012) through the lack of evidence to support the existence of discrete brain circuits tasked with generating specific emotions. It is also unlikely that valence and arousal are the only factors responsible for the construction of specific emotions (Lerner *et al*, 2015). So, neither argument and its associated model is a complete picture of the genesis of emotions. Perhaps then moving away from the origins of emotions to how they are operationalised at a neural and psychological level (i.e. what they do) is my next step?

Antonio Damasio's Somatic Marker theory (Damasio, 1996) proposes a mechanism by which emotional processes can guide (or bias) behaviour, particularly decision-making. He proposes that emotions have associated feelings in the body (*soma* in Greek). These somatic markers guide our thinking towards the most advantageous outcome, this is especially useful when faced with complex or conflicting choices in which our limited cognitive processes become overloaded.

Your somatic markers have evolved from a lifetime of experiences influenced by your own set of preferences, frames and the idiosyncratic circumstances in which you find yourself - both nature and nurture. The choices you made within these circumstances (including how to behave, what to say and do, who and what to pay attention to) have resulted in either beneficial or detrimental outcomes. The memories of these outcomes are, according to this theory, stored in memory with associated physical and emotional sensations. For example: a good outcome to a choice may have been associated with a slight increase in heartbeat and flushing of the skin. This multidimensional memory is then stored to be re-experienced later when faced with similar choices or circumstances.

Somatic memories are recalled unconsciously and far quicker than conscious memory to influence how you view new choices in the hope of guiding you to advantageous solutions. For everyday decision making, a detailed cognitive exploration of all the available options would likely lead to decision paralysis. We do not have the cognitive processing power (nor time) for all of that and our brains would be overwhelmed. So somatic markers help us out.

We have more time to make good decisions than firefighters or fighter pilots, but we have access to a similar store of information from our own past experiences to call upon in decision making. These multidimensional memories will influence how we evaluate our choices and could even simplify the decision process. You've experienced these feelings before through gut feel, hunches or preferences.

Because we do not know exactly what experiences these somatic markers were born from, I prefer to use them as data points in understanding my choices. If something does not feel right, or I just prefer one option over another, I use this as a basis for exploring why.

I do not think it is unreasonable to believe that without an objective lens through which to view the body's evolutionary and chemical responses to the events that shape one's life, for better or worse, it is difficult, if not impossible, to disentangle the effect of emotion from one's thinking. One cannot eliminate the chemical reaction that occurs in the body, but one can attempt to counter its effect on risk perception. Even if this is purely through understanding the presenting emotion and its potential influence on thought and risk perception and either using that as a point of data in the decision at hand or counteracting those effects through adjusting risks associated with choices.

When working with senior decision makers, the role of emotions in decision making is without a doubt the topic that generates the most controversy and conversation. Over a 14-month period from 2019 to 2020, I presented the 500 senior leaders of the world's leading beverage producer, with decision-making best practice tools. My co-presenter and I had 3 hours to work them through these tools (in groups of 50 participants each) but the part covering emotions generated so much discussion that we had to set a time limit on this particular section and reduce the presented content down to a minimum. Participants were by no means universally sold on the idea that emotions even have a place in decision making - there was still a large contingent who did not see the point of exploring emotions as they felt it had no place in organisational decision making and they were perfectly capable of making non-emotive decisions. This is largely what the debate was around; how much time should we allocate to thinking or talking about emotions in decision making. Unsurprisingly to me, it was the most junior of these leaders who most fervently believed they were emotionally invincible.

I was able to put what I had learnt about the influence of emotions on risk perception to the test over this same period when in the Autumn of 2019 my family and I were unexpectedly placed

in a position where both our financial wellbeing and ability to continue living in the UK were no longer guaranteed. It was not related to Brexit (and was pre-coronavirus) at all and was totally unexpected. It left us completely devastated as we had decided to make the UK our home and were working towards citizenship. We were suddenly confronted with a series of difficult decisions that would impact the rest of our lives - our teenage son's in particular. We did not have much time to make these decisions either. Besides feeling overwhelmed by the situation, we also couldn't agree on the best way forward. So, we decided to design and use a decision-making strategy to help us work through the most important of these decisions. I started this process with asking what we were feeling and what was the impact of those emotions on our risk perception. The overwhelming feeling that I had was fear whilst my husband was angry above all else. Immediately we understood why we couldn't agree on a way forward. The effect that fear had on my thinking was to view risk as disproportionately greater than what it should be (see table 6). Coupled with my innate risk aversion, I was mentally paralysed by the idea of moving forward and away from the status quo. On the other hand, the anger that my husband was feeling left him undervaluing the risks we faced and confident in his ability to affect change. This knowledge allowed us to control for the emotional overlay on our risk perception and helped us have a more balanced conversation about our circumstances starting with why we felt such different emotions. We continued by allocating decision rights over different aspects of the problem domain, checking what assumptions we were making and built a *states of the world matrix*[28] to look at how our choices would fare in different potential scenarios over time. This helped us gain greater clarity on our own thinking, allowed us to express our fears and expectations about the future as well as empathy with each other's position. I was actually surprised at what an impact the use of an explicit decision-making process had on our ability to think more clearly and successfully navigate two different points of view at a challenging and pivotal time in our lives. Seems decision systems can be good for marriages, too.

So, is a good decision one that is not clouded by emotions? Well, neuroscience is quite clear that we cannot make decisions without emotions but the extent to which they cloud our judgement is somewhat under our control. Accepting that emotion is a lens through which we view decisions and looking to understand the information it yields whilst attempting to consciously control for its influence will lead to improved decision making.

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[28] A simple table in which the potential outcomes to a choice are situated within different future states of the world to ascertain how it would fare under the associated conditions.

This brings us to point four of our crowdsourced answer of what makes a good decision. Must a good decision align with one's own or an organisation's values? Surely it must?

Sixteen years ago, I would have answered unequivocally *yes*. My management guru books had taught me that authenticity is a desirable and inspiring leadership trait (Barrett, 2017) and the root of authenticity is being consistently true to one's values and hence decision making should be values-led. Fifteen years ago, I moved to South East Asia where I lived for twelve years across Hong Kong and Singapore, working and travelling throughout the region. In the latter, I lectured on several MBA and executive education programmes with participants covering 18 nationalities and age groups from 19 to 55 years old. I learnt a few things about values in this time. Some were pretty obvious with hindsight - that values are heavily influenced by culture, can change slowly over time with the accumulation of life events, can be subsumed by the need to belong to a social group and are easily confused with desires.

I also learnt some not so obvious things. I learnt that most of us cannot clearly articulate our values on the spot, values can be context dependent and, importantly, that deep-seated or unchecked values become frames through which we filter information. When reinforced for long enough these frames become the beliefs that bias our actions and decisions for better or worse. When questioned or challenged by those who hold alternative beliefs stemming from different values, our desire to defend our values can transpire logic as we gather more information to support our view (ignoring anything that does not) and so become further invested and entrenched in these beliefs - known as belief polarisation (Cook and Lewandowsky, 2016). This seems rather extreme but currently (Oct 2019) with a Trump presidency in the US, a trade war raging with China and the full effects of Brexit becoming clearer it would seem that polarisation of value-fuelled beliefs has a profound impact on a collective level.

The Cambridge online dictionary defines the noun of values as the beliefs people have, especially about what is right and wrong and what is most important in life, that control their behaviour[29].

Along the same lines, Mueller and Straatmann (2014) define organisational values as beliefs about socially or personally desirable end states or actions that are explicitly or implicitly shared by members of an organisation. Serving as guides to what is both important and

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[29] Retrieved from: https://dictionary.cambridge.org/dictionary/english/value on 27/02/2020

considered 'good' in an organisation that, in turn, influences how decisions made on behalf of an organisation should be judged (Schwartz, 1992).

Shared organisational values are accepted as transcending personal values of employees and individual situations as well as being relatively stable over time. (Schwartz, 1999). Rousseau (1990) finds that the sharedness of these organisational values is one of their defining characteristics. If these values are considered shared, or at least widely accepted, it would seem sensible then to make decisions aligned with organisational values. But does this qualify as a measure of good decision making? As we've already discussed when looking at ethics, the nature of values differs widely across people and organisations. But it is not this variance, but rather their inherent stability within organisations that is a red flag to decision making. Accepted and shared values represent the status quo which, just like personal beliefs, can be sticky and slow to change.

Israeli researchers (Gilead *et al*, 2019) found evidence of why our beliefs are so resistant to change. Acceptance of opinions that confirm our beliefs and agree with our values occurs in a "rapid and involuntary manner" (pg. 401) uncomfortably similar to the processes that occur when we encounter uncontroversial facts. We do not have to think about the facts to make up our minds about them and we certainly do not pause to question them. A subconscious nod admits unquestioned opinions as facts to the debate at hand. Such a pattern of processing may limit our ability to consider and challenge our values and previously held views, which is an essential component of rational and constructive discourse and decision making.

There is also enough evidence to support the slow evolution of organisational values. In 1962, Peter Drucker wrote in the Harvard Business Review (Drucker, 1962) of the changing public attitudes towards the role of business in society saying that the manageability of the large "business enterprise itself is coming to be looked upon as definitely affected with the public interest, rather than the private affair of the individual company, its managers, and its stockholders. Top managements that duck this issue may find themselves eventually saddled with restrictive regulation". He added that these new demands may appear to be a "new wave of hostility to business". It has taken sixty years for this (stakeholder value creation) to finally become a significant issue to businesses not only driven by consumers but also by employees and shareholders. A 2018 Harvard Business Review article by business professors Buffett and Eimicke show that the majority of millennials surveyed believed that the primary purpose of business today is to create social value, not profit. Which may sound a bit extreme but even

investors are calling for sustainable supply chains with improved ethics and governance across the business lifecycle. Customers, too, overwhelmingly prefer products tied to a social cause (Vilá and Bharadwaj, 2017).

If the ultimate goal of organisational values is to generate trust, then they are not serving their purpose particularly well as surveyed in the Edelman Trust Barometer for 2018[30]. It shows that trust in business by the general public is very low globally at 52% with the US experiencing its largest percent decline in trust levels since the survey began. Businesses in both the US and UK specifically are not trusted by the general public with trust levels below 50%.

Are organisations not living up to their clearly articulated values because decisions are not being made in accordance with them? Or are they still using values that are outdated and slow to rise to the challenge of stakeholder value over shareholder value creation?

"The old ideas are hard to let go; they have glorious associations for us, springing as they have from the revolutions against hierarchical medievalism of the sixteenth and seventeenth centuries. It is difficult also because the old ideas are what, in many cases, have made legitimate the seats of power. They justify the status quo.
Nobody likes to look at the weakness beneath him."
George C. Lodge on organisational values, Harvard Business Review, March 1974

Given all the above, is being aligned with one's own or organisational values essential to good decision making? Understanding one's values and how they direct attention, provoke responses and influence risk appetite is foundational to choosing wisely. We certainly cannot make decisions aligned with our values if we are not clear on what they are. The same goes for organisational values. If an organisation hasn't examined their values in a while, then how can they be sure they will help employees make good decisions under time and resource pressure that satisfy all the relevant stakeholders? Without periodic prodding, values would be merely biases that influence our thoughts and actions without question. My experience has also shown me that helping decision makers understanding why an organisational value exists, allows them to evaluate it objectively and decide if the reason for it existing is still valid today.

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[30] Retrieved from https://www.edelman.com/research/2018-edelman-trust-barometer on 27/02/2020. The ETB is an online survey in 28 markets covering 18 years of data with 33,000+ respondents. All fieldwork was conducted between October 28 and November 20, 2017.

Of course, if organisational values are used as metrics against which to judge choices then making decisions that explicitly go against them, even if they are outdated, would likely be judged as a poor decision by the organisation's leaders. We will explore the role of judgement and judges in decision making in the last part of this review.

This brings us to the final point in our crowdsourced answer: **a good decision avoids regret.**

Daniel Kahneman's original rebuttal to utility theory was to explore a theory of regret (Lewis, 2016). In exploring the friendship between Kahneman and Tversky, the biographer, Lewis, explains that Prospect theory originally started out as a theory of regret - more specifically, how the anticipation of regret, influences our choices. This idea aligned with a more psychological approach to explaining why we make the choices that we do. Kahneman had found that people did not seek to avoid other emotions with the same energy they sought to avoid regret (Lewis, 2016). He believed that minimising regret was more influential in our thinking than maximising gain. However, they did not pursue regret aversion but rather loss aversion through framing effects explored in Prospect Theory for the reasons cited below.

In 1982 three academic papers were published, formally introducing Regret Theory (Loomes and Sugden (1982), Fishburn (1982), and Bell (1982)) as an alternative to expected Utility Theory. Through these theoretical papers they proposed that regret is central to risk aversion and can powerfully impact risk assessment and so the anticipation of regret will influence decision making. The decision makers desire to reduce regret should therefore be incorporated, or modelled, into decision making behaviour and mathematical treatments of choice. Loomes and Sugden argued that, even though their theory describes a form of behaviour that contravenes the axioms of expected utility theory, this behaviour can be considered rational (Loomes and Sugden, 1982, Pg.823). The desire to avoid regret and loss is not irrational but essential to human survival.

Bell, 1982, proposed that Regret Theory can act as an enhancement to expected utility theory rather than an alternative because together they more accurately describe decision-making behaviour under conditions of uncertainty. However, over the following decade studies by Harless (1992) and Starmer and Sugden (1993) strongly suggested that regret ultimately resulted from how choices were framed. Concluding that "regret effects are primarily framing effects that occur only when the decision is framed in a way that sharply directs the decision maker to compare acts and states" (Harless, 1992, p. 647). Regret theory encountered other

problems, too, and so Kahneman and Tversky's (1979) Prospect Theory, which explores how framing impacts our choices, remains a dominant choice theory.

Yet, when I ask my clients what THEY understood by regret their answers are more nuanced than reducing the amount of regret when choosing one thing over another in a binary choice. For them regret primarily results from a poorly made decision. Perhaps they missed an essential piece of information or misunderstood something or did not have enough or the right information that lead them to making an error of judgement or even just making a mistake that could have been avoided. For them, and for me, a good decision is one in which the decision maker made the best possible decision that they could, given the available information and constraints. The latter including all the limitations to our judgement (Simon, 1956) as well as available physical and psychological assets (Hastie and Dawes, 2010). Regardless of the outcome, if a decision maker would make the same decision again because they truly believed they made the best choice, given prevailing circumstances, limitations and knowledge, then it is a decision they should not regret. Disregarding the outcome is the real challenge here.

Good decisions achieve their objectives

Given the disproportionate influence of outcomes in judging a decision, regret may be far more prevalent than my clients anticipate. This brings us back to the first part of my crowdsourced answer: that a good decision achieves its objectives. Focussing on outcomes in assessing decision quality is known as *outcome orientation* and it stands in opposition to *process orientation*. Such a focus on achieving objectives increases the scope for regret and hence its impact on our decision making. To understand why, it is worth exploring how decision making is judged and then whether focussing on the process used to generate a choice or the outcome of that choice makes for better decisions and/or less regret. This is an ongoing debate in decision-making theory.

Decisions tend to be judged by their outcomes rather than the process that produced the choice (Baron and Hershey, 1988; Jones *et al*, 1997) for several reason:

- Outcomes are easier to measure and occur closer to the act of judging (Keren and Bruine de Bruin (2003).
- If a good decision process leads to a good outcome then we can merely judge the outcome (Hershey and Baron, 1995) and save time and hassle of exploring the process.

- To judge a decision process, one must be able to ascertain which decision processes will lead to desirable outcomes and this may be difficult given the variety of decision classes (Frisch and Clemen, 1994) and problem domains.

- The decision judge may use a different set of criteria or evaluation framework to judge the decision than that used by the decision maker and they may not agree (Keren and Bruine de Bruin (2003).

- It is often difficult to ascertain the exact circumstances within which a decision took place, hence judging the outcome is quicker and easier.

Whilst an outcome focus has been dominant for some time, today it is largely contested as the best way to judge decision quality for many reasons:

- Poor outcomes weigh more heavily in any evaluation compared to good outcomes (Kahneman and Tversky, 1979) and so skew judgements.

- In addition, we're usually only rewarded for those good outcomes because the latter is assumed to result from a good decision process (Hershey and Baron, 1995) yet seemingly poor outcomes can also result from a good process (Fischhoff, 1975).

- In deciding on the objective that the decision is to achieve, how can one be sure that it is the best possible objective? From whose perspective? Over what time period? Who is the best person, or persons, to judge that? Did the decision maker even solve the correct problem (Du Preez, 2020)? What if forces completely beyond the decision maker's control—such as a trade war or some environmental, viral, political or corporate shenanigans— batted their efforts off course and resulted in the chosen course of action not achieving its objectives (Fischhoff, 1975)?

- Once a decision has been made and a certain course of action is taken it is mostly impossible to know exactly how the rejected options would have played out. These unknowable alternative histories also make it tricky to know for certain if the chosen outcome was indeed the best possible one (Einhorn and Hogarth, 1978).

- Hindsight also affects the judgement of decision quality because knowing the outcome can change how a decision process is evaluated. Through experimentation Fischhoff (1975) showed that in hindsight *people consistently overestimate what could have been anticipated in foresight* (in Keren and Bruine de Bruin, 2003 p.g. 351). In hindsight it is easier to understand the various forces at play in a problem domain but when making the decision these may not have been obvious at all or may have seemed irrelevant. This can provoke accusations of 'I/you should have known this at the time of deciding'. The latter having a significant impact on how the choice is judged.

This is part of the regret faced by my clients when outcomes to their decisions disappoint. They did not know what they did not know when deciding but once this previously unavailable information becomes available it is used disproportionately in judging decision quality. For this and all these reasons I am firmly in the camp, along with many others (Savage, 1972; Luce and Raiffa, 1957; Edwards *et al*, 1984; Lipshitz, 1989), that decision quality should be ascertained by judging the process underlying the decision made.

"You cannot tell by the outcome whether you made a good decision. It is just a logical mistake to say, *I got the good outcome, I must have made a good decision.*

And yet that's what everybody thinks."

Ronald Howard, professor of management science, Stanford University in HBR, 2014[31]

Despite the issues raised with judging a decision on its outcome, is evaluating a decision-making process even feasible? Yes, being a good judge of someone's choices is one of the oldest professions. Who would do such a job? Judges, of course. Every crime begins with a choice (either premeditated or not) to commit to a certain course of action. Imagine if a judge delivered a verdict after only hearing the details of the actual crime committed (i.e., the decision outcome). For example: Mrs White killed the postman with a blunt kitchen utensil. Murder is against the law therefore Mrs White must be guilty.

Despite reducing court cases down to minutes, such simplified judgements would be unacceptable. We expect judges to consider the context in which an act was committed, the circumstances that led to the act, including how much information was available to the accused, the emotional state of the perpetrator and how that impacted decision making and all other physical and psychological limitations. In the eyes of the law, in most judicial systems, murder is wrong, but how and why a murder is committed will determine the appropriate punishment. Was it premeditated or committed in self-defence with a clear mind or under emotional or mental strain? Fortunately, case law (in the UK) serves as criteria against which to judge these complex choices.

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[31] Quoted from: *How to Tell if You've Made a Good Decision* by Justin Fox in Harvard Business Review published on November 21, 2014. Retrieved on 03/03/2020 from https://hbr.org/2014/11/how-to-tell-if-youve-made-a-good-decision

The Oxford English dictionary tells me that *decision* is a noun from the Latin for *to determine* (a verb) and that it is a *conclusion or resolution reached after consideration*[32] therefore a decision does not stand independently of the consideration or process that produced it. Karen and Bruine de Bruin (2003) sum up the main argument for a process orientation to decision making by reminding us that *most, if not all, decisions are made under uncertainty. A decision is therefore a bet and evaluating it as good or not must depend on the stakes and the odds, not on the outcome.* (Edwards *et al.*, 1984, p. 7). But what should go into a process?

A 2010 McKinsey study (Lovallo and Sibony, 2010) analysed 1048 strategic decisions made by their clients in areas ranging from mergers and acquisitions to organisational change. Their success criterion was return on investment (ROI) and, using regression analysis, they explored which elements of decision making contributed most to it. Beginning with the area that companies (and individuals) initially focus on when making strategic decisions - gathering good quality data and subjecting it to the best possible analysis to produce predictive and scalable financial models.

Their results were somewhat surprising. They found that data quality and quantity only contributed to an 8 per cent increase in ROI. Idiosyncratic variables such as capital availability, investment opportunities, and market sentiment, contributed 39 per cent, but the bulk of the impact came from the quality of the process used to exploit their analysis and reach a decision. Examples they provide include *explicitly exploring major uncertainties; ensuring participation in discussions by skill and experience rather than rank; and soliciting and including perspectives that contradicted senior leaders' points of view.* They concluded that *raising the quality of a company's decision-making process from bottom to top quartile on these measures improved ROI to a company's investments by 6.9 per cent.* Not a trivial contribution at all.

> "Our research indicates that, contrary to what one might assume, good analysis in the hands of managers who have good judgment won't naturally yield good decisions. The third ingredient—the process—is also crucial."
> Lovollo and Sibony, Mckinsey Quarterly, 2010

They believe that, despite requiring effort and commitment, creating sound behavioural decision-making strategies has significant payoffs that justify the costs of creation. The

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[32] Retrieved from https://www.oxfordlearnersdictionaries.com/definition/english/decision on 18 May 2019

"rewards of better decisions and more engaged managers make it one of the most valuable strategic investments organisations can make" (Lovollo and Sibony, 2010).

If we are going to judge decisions against a process, then we must ensure as far as possible that we build a process that is fit for purpose. This is why we spent so much time developing the EDM Guidelines at ABC Pharma as the process against which decisions would be judged.

This literature review covered a lot of ground and what follows is the practical impact of this knowledge and my perspectives on it on the creation of the EDM Guidelines.

Operationalising the literature, my professional knowledge and initial observations to design an effective ethical decision-making strategy, plus beta testing

This section covers a mapping of how the knowledge review above influenced the EDM Guidelines followed by the final Guidelines in Appendix 2. For clarity, a further table is presented showing how the guidelines have attempted to meet the objectives set for them in the various wish-lists followed by an explanation of the beta-testing of the guidelines by the executive committee and their feedback.

Grounding within the literature on behavioural decision-making strategies

The table below maps how the conclusions and best practices derived from my literature review have influenced the creation of the EDM Guidelines, showing the direct impact that theory has had on practice across various themes.

Please explore the table in conjunction with Appendix 2 – ABC's EDM Guidelines.

Table 4 – Mapping decision-making theory onto practice

Theme	Best practice from literature	Influence on EDM Guidelines
Influence of literature and knowledge related to business codes		
Effective Business codes:	Have clarity of purpose	ABC's EDM Guidelines include a very clear description of why they are being introduced, what they are and what they are intended to do plus how they fit in with existing values as reflected in their Patient Value Model.
	Should be clear and relatable so that it can be acted upon intuitively.	Designing the Guidelines and their implementation included contributions from every major geographic region and many departments within the organisation to ensure that multiple views and ways of working were accounted for. The section titled *My Role in Ethical Decision Making* within the Guidelines specifies the behaviours considered to contribute to generating trust at ABC and how to live these behaviours in practice in a clear and easy to understand way.
	Should stimulate a sense of ownership.	The Guidelines underwent a fully inclusive creation and implementation phase and would continue to be 'owned' by different business units through incentivisation and strategy requirements. Examples of real dilemmas, false dilemmas and ethical opportunities are gathered from decision makers across the organisation and published in a library of resources available for discussions and training. This library now has a number of dilemmas that reflects decisions made in many different parts of the organisation with which most employees can associate.
	Offer living and relevant tools or guidelines that encouraged open discussions about ethics.	As mentioned above, the EDM library creates a reference bank of cases that different departments can relate to, discuss and learn from. Even before being rolled out to the organisation the Guidelines were used by senior leaders for strategy decisions and other discussions. Trained EDM Coaches support staff who are not sure how to use the Guidelines or how to resolve a dilemma. Trained EDM facilitators are regularly involved in department meetings and more are being trained to ensure that every unit has access to one.

Table 4 – Mapping decision-making theory onto practice

Theme	Best practice from literature	Influence on EDM Guidelines
		Ethics is on the agenda for discussion with every impactful decision and leaders are incentivised to do so.
	Require a strong corporate culture to support it.	Please see all of the above. Getting senior executives to set the tone from the top was important. The use of the EDM Guidelines at executive level and their organisation wide endorsement has meant that they are held to account for its use. The Ethics and Compliance function has also undergone a significant internal readiness programme to ensure consistency between ethics and compliance policies and actual organisational practices.
Influence of decision-making literature and knowledge		
Effective decision-making themes	**Themes from the literature**	**How these are addresses/allowed for in the Guidelines**
Rationality	Allowing for bounded rationality. This is done through a more thorough exploration of the problem domain through a series of questions and requirements.	Providing a process to work through to ensure that the problem domain is explored in significant detail. Posing a series of questions for the decision maker to work through once they have identified a dilemma. Requiring external scrutiny through soliciting three opinions in discussion from different parties before conclusions are drawn. Focussing specific attention on identifying stakeholders and impacts on them and their relationships over time.
	Minimising framing effects (Prospect Theory)	Following on from the above, decision makers are expected to show that their thinking is clear and that their options have been thoughtfully arrived at through the use of the Guidelines. They are also asked to think about how they are personally impacted by the choices available. This highlights their own lens or frame through which they view the issue (a

Table 4 – Mapping decision-making theory onto practice

Theme	Best practice from literature	Influence on EDM Guidelines
		negative or positive impact here is compared to the motivation to avoid losses or maximise gains as described in Prospect Theory). *Am I solving the right problem* is the first question posed in the Guidelines. This encourages a discussion or thought around whether the problem has been framed correctly. Is it a symptom or merely a part of a bigger or different challenge?
	Encouraging ecological rationality where the optimal choice or action depends upon the circumstances under which it takes place, allowing one to violate the principles of rationality in order to be rational.	Building on the consideration of stakeholder impacts, the Guidelines also require that thought is given to how context will change over time by asking how might the future be different from the past? And requiring that first and further order consequences are evaluated in light of changing contexts over time.
Emotions	Understanding the role of emotions in risk perception	In order to keep them user friendly and as simple as possible, the Guidelines do not call for an understanding of the role of specific emotions but rather gathering alternative opinions from 3 different sources to help put emotional impacts into perspective from: - a colleague with experience in this area - a colleague who is not affected by the issue to provide an independent perspective - a colleague directly affected by the decision Calling for the decision maker to think of unintended consequences of their choices or actions might also give further insight to the impact of excessive emotional overlays. Again, looking at direct impacts on the decision maker and the requirement to show clarity of thought also reduce emotional impacts on risk perception.
	Effects of specific emotions	Decision coaches have been trained to identify and work through impacts of specific emotions. A process slows down deciding and so the influence of emotions may abate as decision makers reason through the various steps. Collaboration with others in the problem domain will also do this.

Table 4 – Mapping decision-making theory onto practice

Theme	Best practice from literature	Influence on EDM Guidelines
	Somatic markers (gut feel)	EDM Coaches have been trained to help coachees (decision makers) identify what they are feeling and why and use this as a point of data in their decision analysis.
Values	Understanding how personal and organisational values differ and how values are used to generate trust.	The Guidelines ask decision makers to call out their own values and how they differ from ABC's values. Being clear on the values underlining one's decision making helps to promote transparency and hence trust. EDM ambassadors, facilitators and coaches are trained to help decision makers identify their values. Understanding personal values and if they align or not to organisational values is required throughout the Guidelines as follows: • What are my values? How do they influence this decision? • Does my decision reflect ABC's Values and improve patients' lives? • Does this create value for our patients? How do I know this? What are the sources of my information? • Can I justify these impacts with reference to ABC's Values and Patient Value Creation Principles?
	Generating trust through stakeholder consideration	Impacts of a choice on specific stakeholders are highlighted. Decision makers are also encouraged to identify all applicable stakeholders in a problem domain such as patients' families, regulators, doctors etc.
Regret	Avoiding regret through process orientation	Given that this is organisational decision making, regret avoidance may come in the form of wanting to avoid being blamed for poor outcomes. Our diagnostic workshops already showed that there was a tendency to contribute to a decision-making discussion but leave the actual decision to be made by the most senior person involved. The Guidelines have been created as a simple decision process to be used in its entirety not a set of tools from which a decision maker can pick and choose. The hope is that it and the leader-, facilitator- and coach-led discussions will give employees greater confidence in their own decision making thereby reducing regret avoidance. With a methodical approach, one is also less likely to leave out important perspectives and impacts. It is hoped that this process orientation will empower more employees to take

Table 4 – Mapping decision-making theory onto practice

Theme	Best practice from literature	Influence on EDM Guidelines
		decisions - especially given the high level of perceived decision rights at ABC as you will see in the research conducted in part 3.2. A process also allows for structured thought and de-emphasises the disproportionate influence of outcomes in judging choices.

The table that follows illustrates how the guidelines have attempted to meet the objectives set for them in the various wish-lists followed by an explanation of the beta-testing of the Guidelines by the executive committee and their feedback.

If and how the Guidelines address the various requirements and wish lists from project stakeholders

Given the numerous expectations for the Guidelines and the various stakeholder requirements they were expected to meet, I created the table below to show how if and how these were met and if not, why not.

Table 5 – Mapping project stakeholder requirements to the Guidelines
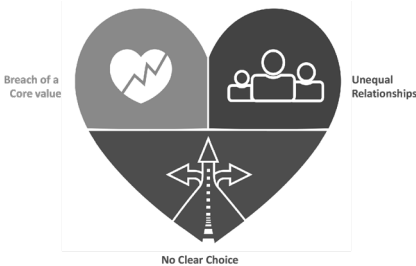
Requirement	How the guidelines address the requirements	Reference in Guidelines
To generate *trust* between stakeholders. Trust is defined by ABC employees in the diagnostic workshops as: *To trust someone is to accept their words and actions without verification because they have consistently and proactively displayed ethical behaviour and decision making over time.*	Given the challenges with defining the right thing to do at ABC Pharma, it was important that behaviours that were agreed to be ethical at the corporate level were clear in the Guidelines. It is believed that displaying these behaviours alongside using the Guidelines in addressing ethical dilemmas would generate trust amongst employees and other stakeholders.	3.2 Ethical decision-making behaviors
To meet ABC's ethics responsibility: I am responsible to our patients, our people, our company and society and will be held accountable for the choices I make.	Stakeholder perspectives (me, patient, ABC and society) are specific categories in the Guidelines that decision makers are required to work through	3.3 ABC's stakeholder perspective questions
A clear rationale and explanation of the ethical behaviours that are acceptable to stakeholders.	These are clearly explained as well as the positioning of the Guidelines within the existing Patient Value Model	3.2 Ethical decision-making behaviors
Offer a way to identify ethical dilemmas.	ABC's guidance on this is clearly explained with text and an infographic:	2.1 How do we identify an ethical dilemma?

Table 5 – Mapping stakeholder requirements to the Guidelines cont.

Guidance on how to resolve identified dilemmas.	Using the Guidelines does not guarantee that a decision maker will come to a clear solution. It gives them a process to delve deeper into the choices facing them, elicit opinions that challenge or confirm their own thinking and especially, greater clarity on the impacts of their choices on stakeholders and how these might change over time.	3. What are ABC's ethical decision-making guidelines?
Clarification of ethical decision making behaviours at ABC that generate trust. Trust is defined as *accepting a colleague's words and actions without verification because they have consistently and proactively displayed ethical behaviour and decision making over time.*	role in ethical decision making: I am trusted to act with **integrity**, decide with **transparency** and consistently **apply** ABC's patient value strategy principles. What each of these behaviours looks like in practice is clearly illustrated in the Guidelines.	3.2 Ethical decision-making behaviors

Diagnostic workshop Wishlist		
Requirement	**How the guidelines address the requirements**	**Reference in Guidelines**
Rapid access to different perspectives allowing decision makers to consider opinions that they might not otherwise know of. (Looking for more certainty and confidence in their decision making.)	A specific online resource to link decision-makers to perspectives from various colleagues was considered but the confidential nature of some of their challenges meant that a chat board type forum was not ideal. Given the requirement that all decisions should include various perspectives, everyone aware of the Guidelines would be willing to offer an opinion when asked as quickly as possible. EDM coaches were also equiped to be able to connect decision makers across the organisation.	EDM Coaches, facilitators and ambassadors.
Various ways to strengthen ethical muscles including exposure to ethical dilemmas and worked examples related to them. (Looking for knowledge.)	The Library of ethical dilemmas has been an important resource. Each dilemma is classified into either an *ethical dilemma*, a *false dilemma* or an *ethical opportunity* and comprises a full worked example of how the guidelines would be applied to firstly identify it	EDM Library of Dilemmas

Table 5 – Mapping stakeholder requirements to the Guidelines cont.

	as one of these and then used towards resolving it. A series of training videos were also created to bring some of these to life.	
Raising of awareness that morals and company ethics may sometimes differ and guidance on how to deal with this. (Looking for guidance.)	Organisational values had been very clearly articulated and disseminated through the organisation by means of their Patient Value Model. Specific attention is drawn to individual behaviours and how they might differ from organisational behaviours in the Guidelines with an expectation that conflicts in these are flagged and that decision makers speak up about this as follows: I Act with integrity: I understand my own values, morals and goals and how they impact my choices. I understand ABC's ethical decision-making guidelines and call out any conflict between my and ABC's values. Above all, I am honest with myself and others and speak up when I think that something potentially impacts the sustainability and reputation of our company. EDM coaches are also able to help employees discover their values through a discussion around anti-values.	3.2 Ethical decision-making behaviors: My role in ethical decision making
A set of questions to help determine if an ethical dilemma is faced. These should highlight the stakeholders and explore possible options. (Looking for tools)	Identifying an ethical dilemma is explored in 2 different ways. Firstly allowing for the fact that one may just know that a decision presents a dilemma based on past experience. Trusting one's instinct here is encouraged. There is no loss in treating a false dilemmas as a true dilemma - decision making is strengthened either way. Secondly, if someone is unsure then they can use the simple test as described in the Guidelines.	2.1 How do we identify an ethical dilemma?
A quick way to evaluate solutions proposed like what if this were published in the paper tomorrow	We decided not to provide any simplistic, quick to use tools to judge ethicality of a choice, preferring instead to recognise the complexity usually inherent in ethical decision making -	

Table 5 – Mapping stakeholder requirements to the Guidelines cont.

or what if everyone else did this, too? Or the age old: how would I feel if this was done to me? (Looking for simple back-of-the-envelope tools.)	especially in Pharma. This would also have detracted from the preferred process orientation in favour of evaluating the outcome indepently of other factors and in only one moment in time.
It was agreed that a simple set of ethical standards and guidelines would be useful for everyday decisions in the field.	The Guidelines are layered with levels of complexity. The full Guidelines as detailed above are shared with their top 100 leaders only alongside training on all the resources produced to support them. They are also available in full for any employee to access online. However, given the level of complexity that different decision makers face in their day-to-day choices various simplified versions are shared with them right down to only needing to understand the infographic on how to identify stakeholders and a dilemma. This is considered the most basic piece of information that everyone needs to understand. This will give anyone the tools to identify a dilemma and the language needed to discuss it or pass it along to a line manager.

Wishlist and steers from ABC's Executive Committee		
Requirement	**How the guidelines address the requirements**	**Reference in Guidelines**
We should consider the tension between different stakeholders and the impact of our choices on all stakeholders including ourselves and society.	A core of four stakeholders (me, patient, ABC and society) were identified and *stakeholder point of view* questions were refined to explore impacts on at least these core stakeholders in every dilemma.	3.3 ABC's stakeholder perspective questions
This is an important consideration in the overall sustainability of the organisation and should allow for the passage and affect of time on our choices. It should be a dynamic framework that also allows for changing of acceptable norms.	This requirement is met through the focus on process rather than outcomes as well as not dictating what 'the right thing to do" looks like at ABC. The impact of changing circumstances over time is also accounted for as follows:

Thinking over Time:
How might the future be different from the past?
Have I considered the immediate and future consequences of my decisions? | 3.3 ABC's stakeholder perspective questions |

Table 5 – Mapping stakeholder requirements to the Guidelines cont.

We do not want to define ethics in ABC too narrowly but should have a global set of values or a framework that allow/s for local cultures.	As above, this is also addressed through the focus on process rather than outcomes as well as not dictating what 'the right thing to do" looks like at ABC.
This has been a good way of generating conversation. How can we capture that in a framework?	The various infographics that distill the guidelines down to their essence are used to guide decision-making conversations. They are displayed in posters and other collaterals around their offices. The dictionary of ethical terms has also been positioned to reduce cultural variance around the terms used in conversations and so, hopefully, introduce greater clarity in conversations.
This raises the question of risk in decision making. Does it mitigate or increase risks? Can we build a framework that can help people make decisions that reduce risk, can this help with accountability or ownership of decisions and outcomes? Will it help with compliance?	Merely using a behavioural decision process will not reduce the risk inherent in any problem domain. Through encouraging a more thorough exploration of the problem domain such as impacts on stakeholders over time, hopefully more is known about inherent risks and previously unknown risks might be uncovered. A behavioural process cannot take the place of a quantitative risk assessment. In fact, I believe that the Guidelines could increase risk if decision makers use a truncated version (which many will) under the guise of thorough decision making or use the perspectives it generates selectively to confirm their own priors and beliefs. If these decisions go wrong and the Guidelines are blamed then they will most likely be executed without a trial.

We also do not know if it will help improve decision accountability but will measure this in the final research.

The Guidelines are not expected to improve compliance. Laws and regulations are clear and decisions involving these do not generally fall in grey areas where the decision maker is uncertain about breaching compliance. ABC already has very sophisticated legal and compliance support in place. |

Beta-testing of the Guidelines by the executive committee and their feedback

A digital app and accompanying beta testing guidebook were developed to share the Guidelines with ABC's Executive Committee. They were asked to use the EDM Beta Testing App to record how they used the EDM Guidelines and their reflections on doing so. They were asked to anonymise their comments and examples so that these may be used for training purposes. If any of them did not face an ethical dilemma over the 2-week testing period, they were asked to apply the Guidelines retrospectively to a previously encountered decision and reflect on whether they would have assisted them in choosing wisely. The questions we asked were:

1. When did I use the guidelines?
2. What was the context or situation?
3. With whom?
4. How did I use the guidelines?
5. Did I consider my values? How did they come into play?
6. Did using the guidelines affect or change my decision making?
7. What was the result? What worked, what did not?
8. What would I do differently next time?
9. How would I tweak the guidelines to suite my specific context?
10. My general reflection on using these guidelines for this decision is…

This was not a successful test. The team had decided to go with an app to make it easy for testers to find the Guidelines and enter thoughts, reflections and examples. The app should have allowed for easier data collection from freeform text boxes as well as simpler drop-down menu inputs. A few testers tried to use the app but encountered two issues; 1. The app itself hadn't been beta tested and turned out to be fiddlier than they had time for and 2. they soon discovered that it was very hard to anonymise the dilemmas that they were using the Guidelines on.

As senior executives in the organisation they worked with highly sensitive issues. Not one of them felt comfortable inputting information into an app. They were also uncomfortable with question 3; With whom did they work on the dilemma? Whilst the intention here was for a broad label of who they consulted or involved such as my team or HR partner etc, they felt it too specific. Generally, they disregarded the questions entirely and wrote a narrative.

With hindsight it seems obvious that we should have asked them how they would like to test this product and not get carried away in what we thought would be the best way to garner

feedback. We should, perhaps, have done a sense check on the questions. In the haste to get this out it felt as if I failed to live up to my own standards and guidelines. We couldn't gather data that couldn't be recorded with questions that a senior leadership team felt uncomfortable with. We also would not get a second chance to engage them in testing.

I had prepared a backup hard copy booklet with instructions etc that was sent over as a digital copy instead when we realised that the app was not appropriate. Their frustration with the latter had significantly diminished their experience of working with the Guidelines and reduced the amount of time they spent reflecting on them, so it felt like a failed opportunity, but all was not lost. Instead of answering the questions we had asked of them they simply emailed through their thoughts on using the Guidelines directly to the project lead. This meant that, again, I couldn't use this information in my enquiry as we did not obtain the necessary permissions we would have gathered through the app.

Despite that we learnt that they found the Guidelines very useful. They enjoyed the simplicity in the structure as well as the complexity that using the Guidelines could generate depending on how deeply one reflected on the Stakeholder Point of View Questions. They noted that it takes longer to work through a decision using the Guidelines or that it was perceived to take longer because they were using a more structured approach. Several examples were offered in confidence with further useful feedback relative to the use and future of the Guidelines.

Some further generalised insights:
It was noted that the four (stakeholder) perspectives were helpful in promoting a systematic thought process. The answers to the questions assigned to categories (the point of view questions) allowed decision makers to generate a common set of facts that can be agreed before discussions in a larger team.
Some felt that it would be helpful if decision makers were required to assign weights to the categories, effectively making some perspectives more influential than others in a particular decision. This was a really interesting suggestion that I hadn't thought of. On further reflection and discussion, and given that the requirement of the Guidelines was to promote the production of thought and improve decision quality rather than dictate a solution, it was decided not to promote weighting perspectives. There is also the danger that by making some perspectives more important than others, decision makers would probably focus their attention on those to the detriment of other perspectives and so could miss risks and influences that may occur over time.

Overall, the executive committee thought the Guidelines were fit for purpose and as such we could proceed to roll them out across the organisation. This would entail a large project requiring much time and resources. Learning from our recent mistakes in gathering data from a small group of leaders would be essential if we hoped to see a return on resources invested. For this we needed to interact with our target audiences and discover how best to introduce them to the EDM Guidelines and engage them in the material in a way that showed them how and when to use it and what value it could offer. For this we needed data. Part 3.2 covers a research project used to gather data to inform the best way to roll out these Guidelines.

3.2 Research to inform the rollout of the EDM Guidelines

I had learnt several lessons from a pilot study I conducted before embarking on this enquiry. One of the most enduring came from the fact that, despite gathering a significant amount of data, I was left with more questions. Some of these sprung from the data itself and others from not asking the right questions in the first place. On reflection, I realised that when constructing the research, I did not know enough about my research participants and their reality to ask the best possible questions in the first place. As illustrated by the beta testing fiasco above, I seemed to be slow in operationalising this learning.

Given this, I felt that we should spend some time learning more about those colleagues who would receive training on the EDM Guidelines. Perhaps exploring how best to introduce the Guidelines to them, in order to meet our objectives. In my experience, most other companies would not have paused to conduct another piece of research here, they would have simply moved on to roll out this product (that had taken 18 months to build) in accordance with their training and development guidelines.

Fortunately, the workgroup shared my concerns about simply accepting our particular view of reality and how best to roll out this product. I believed that if we truly wanted it to be a success, we needed to call out our anchors and challenge our assumptions, making sure that we were indeed solving the correct problem. All of this is simply decision-making best practice.

In order to do this, they agreed to convene a full day *think tank* with the wider community of practice that had gathered around this project from various departments and geographies including Europe, the USA, Latin America and China. Members of our workgroup, apart from

myself, would not participate in order to allow all participants to speak freely about any aspect of ethics and compliance, including their thoughts on the Guidelines. I was already known to this group and seen as a trusted and independent resource so I was not worried that they would temper their discussions on my account. Given that they all agreed to fly in for a face to face meeting again showed their commitment to getting this right. Unlike in the diagnostic workshops, I would not be facilitating this, instead it would be led by a facilitator from their Centre of Excellence who was unrelated to E&C and knew nothing of this project. I would be a participant and observer. Other participants were from legal, neurology, supply chain, IT, immunology, marketing and operations and E&C China. The brief was to generate open, thoughtful and innovative dialogue through design thinking to explore the best way to roll out the Guidelines in order for them to meet their objectives. At least that's what we had hoped to achieve. We called it a *think tank*.

It was a fascinating day that took an unexpected turn right up front. The question of how best to roll out the Guidelines was never answered, instead the discussions quickly moved to TRUST as it had done in every workshop, interview or intervention, outside of the workgroup, that I had been a part of in this initiative. In the Handbook of Research Methods on Trust (Lyon et al, 2015) we are reminded that "trust is one of the most fascinating and fundamental social phenomena yet at the same time one of the most elusive and challenging concepts one could study" (pg.1). Trying to settle on a definition of trust was also challenging. In a critical review of the empirical research on measuring trust between 1990 and 2003, Seppanen et al. (2007) gathered over 70 definitions of trust. Considering these, Lyon et al. (2015) settled on a broad definition as "the psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another". In their research they explore several concepts related to identifying and measuring trust - some of which are relevant to this stage of the enquiry including the preconditions for trust to exist. Mayer et al. (1995) propose that the presence of factors of trustworthiness will predict trust such as benevolence and integrity. Integrity was a word used repeatedly in describing ethical behaviour at ABC and benevolence speaks to the ethic of care approach we explored earlier. All of this points to trust occurring within a relationship as explored by Rousseau et al. (1998). Yet, what we what we were hoping to achieve with the EDM Guidelines was to foster trust between stakeholders even if there wasn't a direct relationship. Lyon et al. widen the definition of interdependent relationships to include the institutional context as well, such as the political, legal and economic framework, and even the informal rules that make up culturally specific institutions. Given these definitions one could see trust as a condition that could exist between various

stakeholders such as a patient population and the organisation or the regulator and the organisation based on mutual concepts of integrity and benevolence towards each party. It was hoped that the EDM guidelines could eventually contribute to such trustful relationships with external stakeholders once it was adopted internally and relationships across the organisation could be described as trustful.

In his bestselling Book, *Overcoming the Five Dysfunctions of a Team, Lencioni* (2005) lists the absence of trust as the first and most impactful dysfunction capable of rendering teamwork impossible. His definition of trust is not unlike Lyon et al's in that "trust is the confidence among team members that their peers intentions are good and that there is no reason to be protective or careful around the group" *(pg.195).* To achieve this, he prescribes that teammates should be "comfortable being vulnerable with each other". This is the kind of trust that was being discussed in this *think tank* and specifically: would the broader business trust the intention of the E&C function in rolling out these *Ethical* Decision-Making Guidelines? I learnt that, at that stage, the ethics and compliance officers were not naturally perceived as partners to other areas of the organisation. Nor in a position to work on grey areas where there was not a compliance angle. It was agreed that introducing the EDM Guidelines into the organisation without changing the perception of E&C first would limit a successful implementation. There were concerns that doing so would be:

- Seen as E&C pushing decision making down the chain and hence, abrogating responsibility,
- Creating confusion as to the role of the individual decision maker and E&C within ethics and compliance decisions,
- Seen as another layer of regulation/an additional burden on decision makers given that it was coming from the 'compliance police' (E&C).
- It was felt that E&C was not visible enough to support the rollout as *ethics* consultants,
- There was a concern that parts of the organisation, which were further removed from their headquarters in Europe and the US would not feel the need to engage with the Guidelines nor receive the support required.

Given how well the Guidelines had been received by the executive committee and senior leaders who had tested it (around 200 decision makers by then) we had never paused to reflect on any of these issues. It was as if we had designed and tested these Guidelines in a vacuum or echo chamber where we only tested our own thinking with more of our own thinking and those

who thought like us. This was the *mere ownership effect* (Beggan, 1992) in action whereby we placed a higher value on something because we, essentially, owned it.

My reflection 5: How could *I* fall into this trap? I had only been part of a small unrepresentative sample of this organisation and so my knowledge of the wider employee base was limited to an extrapolation of what I knew about this workgroup. Given how closely I had worked with them, I was not in a position to step back and look at their role through the wider lens of the various stakeholders. My beliefs were anchored in my own experiences from which I had handily generated several assumptions for example: ethics and compliance staff were all great to work with - they listened well, contributed their own ideas and challenged each other and me in a cordial way. Surely, they were great business partners to the rest of the organisation as well and the best team to roll out the EDM Guidelines?

The ease with which I slipped into such a counterproductive way of working was a wakeup call for me. Knowing full well that one should constantly seek the council of 'outsiders' to challenge ones thinking before reaching conclusions.

I realised that I had not wanted to challenge the status quo because it was a place where my work (and hence, I) was well accepted without too much pushback. I was doing work I loved with people I enjoyed working with whilst immune to internal corporate politics in both ABC Pharma and Duke Corporate Education and the cherry on the top was that I was being paid to do all of this. Why would I upset any of that by questioning whether what we were doing was going to be useful to the intended audience - what if the answer was *no*?

In his book *The Science of Successful Organisational Change* (2015), Gibbons, an ex PwC (a big five consulting firm) consultant, writes of his experience as a junior member of a *smart and professional* consulting team on a large and expensive project for Barclays Bank (the project had cost £1.8m in 1993). His team undertook extensive interviews and analysis in order to generate solutions to the challenge vexing their client. How elated they felt in producing a valuable and definitive piece of work that they duly presented with guidelines on how to implement it. Except, their recommendations never went further than the desk drawers of the senior leaders. They were never implemented, and the consultants walked away, deflated but well paid and able to move on. He talks of how, over time, he learnt that producing "reports for drawers" (pg.3) is the norm rather than the exception in consulting and so consultants usually

learn to focus on producing the report, presenting their findings and then walking away, fully detached from the outcomes.

I was hired to produce the Guidelines. It was never intended for me to work on the rollout, apart from offering recommendations. My work was done, and I could have stepped away at this point. After all, I had produced a report to, possibly, languish in an inbox. Either way, my contribution would have been seen as a success. But it was just getting interesting and challenging and I suspected that I would learn as much from what came next as I had from what preceded. And so I offered to do a piece of research without payment, in my capacity as a scholar and researcher. What follows is that research, how it was conducted and used to inform the rollout of the Guidelines.

Researching how to bring the Guidelines to life for ABC employees

My notes and conversations from that *think tank* day allowed me to gather everybody's insights into some themes:

1. Ascertaining trust levels: "The most important thing is trust." Being able to trust that E&C will help us make good decisions and that E&C can trust us to make good decisions. Levels of trust in E&C are different across the organisation and experiences vary. We should understand the relationship between E&C and the business and how this might impact the successful rollout of the guidelines.

2. Understanding of basic principles: Ascertaining if the business understands the basic principles of compliance (the rules) as well as ethics. How these differ and how to apply these in their decision making.

3. Uncovering the ethics and compliance mindset: What is the mindset with which both staff, business partners and E&C community members approach ethics and compliance and is there any consistency in this across the business? There is a need to move from judging each other's actions and choices to collaborating and solving problems together. This could be helped by creating shared goals between E&C and the business and vice versa.

With these themes I was tasked with designing a research questionnaire to create a baseline understanding of how ethical dilemmas are identified and resolved within and outside of E&C, how ethics is viewed and handled on the ground as well as the relationship between E&C and the broader business and how consistent these views are across the organisation. These findings

would then inform the most effective way to embed the EDM Guidelines into the daily decision making of employees.

Method

This was the first opportunity within this enquiry for me to delve into the project design I had formulated in my Research Proposal in June of 2018. Fortunately, I had not produced a tight choreography of research methods and steps for my enquiry to follow but rather a selection of methods that appealed to me and would be useful at different stages of the type of enquiry I originally envisaged. Upfront, I had dismissed my preconceived notions of what good research was. The kind that Platt (1964) praised as responsible for the rapid advancement of certain fields and as the method of science. A straightforward process of investigation he branded "strong inference", involving the identification of alternative hypotheses, devising experiments that control for facts not under investigation and systematically carrying them out to test each hypothesis without "getting tied up in irrelevancies" (pg.347) to drive conclusions through clear and reasoned inductive inference. Rather, it seemed my research would veer towards those methods that Platt warned are "sick by comparison", inflicted by a lack of alternative hypotheses and disproof (pg.146).

I explored *thick description* as an antidote to *strong inference*. Impressed by the search for understanding that brings meaning rather than the indefatigable search for a principle or objective truth on which to base a new theory. Specifically, in thick description, knowledge creation results from exploring the system within which your object of study resides or is produced. To illustrate this, Gilbert Ryle (in Geertz, 1973, pg. 5) asks the researcher to reflect on the intention behind a contraction of an eyelid. Is it a wink, a physical frustration to the eye or a parody of a wink? If it was in fact a wink, was it one of connection or acknowledgement of a shared knowing? Ryle suggests that such insight, beyond a tertiary description, is only available through understanding of context. Description plus context allow the researcher to extract meaning. Although, at this stage of my enquiry, aiming to draw large conclusions from bounded but densely textured facts to support broad assertions (Geertz, 1973) might have been overly ambitious.

This time, I was not going to repeat the mistake of ignoring the context and reality of potential respondents. I shared these ideas and concerns with the workgroup when discussing how to construct interviews that allowed me to generate layered and contextually rich information. Through these discussions, several contextual challenges surfaced:

1. **Access**: gaining access to a wide sample of employees in various geographies and departments would be challenging. I would be introduced to potential interviewees over email by the head of the project who is a 'compliance officer'. I would therefore appear to represent the E&C department. Interviews would have to be scheduled across several time zones and face significant language barriers, possibly involving translators. Many employees worked in clinical settings, on the road as sales reps or in factories manufacturing medicines and medical devices making a 30-minute interview by an external consultant, on behalf of the compliance function, a bit of an imposition. Producing textured and layered qualitative data that opened up insights into context on a three-way voice call through a translator would intensify the challenge.

2. **Perception**: As I would be representing the ethics and compliance function, there was a worry that respondents would be very guarded in their responses. Perhaps expecting to be judged on how well they understood ethics and compliance terms or the acceptability of their own ethical decision-making practices. This could pose a threat to employees, which would not meet ethical requirements for research nor encourage a high uptake if participation is voluntary. This had not been a problem before because I was working face to face with senior leaders who understood my role as an external and independent consultant.

3. **Influence**: I had learned from my pilot study that my very presence in an interview changes the outcome of the interview. My reflections from that study reminded me that:
   - I often felt I was co-creating the interview. My presence and the impromptu questions I asked to move conversations forward created situational meaning and suggested paths for the respondent to follow. Ultimately resulting in interesting conversations that would, however, be difficult to compare to any others.
   - Given that I am perceived to harbour 'expert' knowledge on decision making, I felt there was a tendency by respondents to aggrandise their decision making and knowledge. (This may be the same when I ask interviewees about ethical perceptions and challenges.) I found asking for evidence of their statements difficult and requesting objective or 3rd party evidence to support their statements would have been an affront.
   - Despite feeling confident going into interviews, I discovered that my ability to extract useful, and perhaps even challenging, information was not up to par. I was completely unable to invite an exploration of the swampy lowlands (Schön, 1983) that constitute the

reality of decision making in organisations and that is so important in generating meaningful, interpretive and conversational research.

I had subsequently worked on the final point through the 15 interviews I conducted at ABC to generate a library of ethical dilemmas and now felt much more comfortable and productive in my role as interviewer. However, overcoming the issues of access and perception were proving challenging. In order for the research sample to be representative of and hence meaningful to, the organisation, I felt that the ability to reach a broad research base was more important than my ability to extract rich data from a few, easily accessible English speaking participants who would not feel threatened by a request to partake. Given these considerations, it was agreed that I would coach a well-diversified group of 'researchers' from the community this project had attracted, and *they* would go out and reach interviewees across the globe in their own language. This was exciting and daunting.

The researchers were French, American, Belgian, South American and Chinese and represented five major functions within the organisation. They were mid-level managers or team leaders and all bar one was not associated with the ethics and compliance function. They were also amongst the colleagues who had raised doubts as to whether the E&C function was in the best position to rollout the Guidelines, so we knew we were getting objective influences. Their brief was to invite 5 to 7 colleagues to be interviewed either face-to-face or telephonically for this project. Half of these should not be colleagues that they work closely with and at least half should be ones that they feel might not be receptive to 'yet another' ethics and compliance initiative. None of the interviewees should be familiar with the EDM Guidelines.

This was unlikely to produce a perfect sample, but we did not want to handpick interviewees lest they feel targeted. I left all other selection criteria up to the 'researchers'. Reading Lucas' (2014) critique of probabilistic sampling methods which he considered as a *controlling, restrictive, possibly even arrogant search for the best respondents* helped unburden me of the need for a perfect sample. But I was now faced with the question of how I would truly understand context in the role of an external-practitioner-enquirer who is not conducting the interviews. If understanding proceeds knowing, how would I know the meaning attached to a wink in a particular research population, especially if I am to incorporate a diversified research base? How would I get to the truth when faced with piled up structures of inference and implication (Geertz,1973, pg 313) where each respondent provides only a partial view of a greater reality (Lucas, 2014)?

I was able to negotiate a debrief of the research process in person with the researchers (again, flying in from all over the world) during which we would talk about the experience of interviewing and what was not recorded as answers to questions – essentially, a freeform discussion about context.

As far as the questionnaire went, I resigned myself to the fact that I would need to use what I already knew to construct a questionnaire that was easy for the researchers to use and would generate what we needed for the project to move forward rather than what I wanted to satisfy my intellectual appetite and plump out the pages of my thesis.

Firstly, I considered the ethical foundation of the research and the practicalities around that as follows:

Approval

This research was sanctioned by the senior sponsor of this project from ABC Pharma.

Fair participant selection and data privacy by design

Participation was voluntary and by invitation. In addition to the above recommendations, I recommended that they are as diversified as possible in terms of organisational and personal context. The questionnaire included the principle of privacy by design and did not record specific identifying information such as name and a specific age or job title. Instead, broad contextual details such age groups, business unit, years of employment in the industry (general range) were recorded. Because the immediate workgroup from E&C were not inviting participants, none of us knew who would be partaking.

Data ownership and informed consent

This research produced two steams of output. One stream of raw data owned by the organisation that I could use in summary form along with fully anonymised vignettes, in my thesis. Reflections, recommendations and ideas based on this data would remain my intellectual property.

Managing withdrawal of consent

Because I never knew who the interviewees were and data was collated at source, offering to give them reference numbers to contact me and withdraw their data should they so wish would

have been counterproductive as that would have, in fact, identified them. Rather, each researcher assigned a number to each interviewee and only they knew who these were.

GDPR considerations

All participants were emailed the following GDPR disclaimer and the interview could not proceed until it was agreed to verbally or over email.

Participation in this research is voluntary and all data is gathered anonymously as part of ABC's Ethical Decision Making Initiative and derivative projects. Please do not participate if you do not consent to this information being used anonymously by ABC and any appointed external parties. You may withdraw your consent at any time by contacting Interviewer@ABC.com and quoting your reference number.

I now needed to find research methods that would support me in conducting arm's length research that could be of value.

Formulating the questionnaire

Quantitative narrative research (QNA) methods caught my eye as I had expected narrative research to be qualitative. The literature introduced me to several foundational concepts that got me thinking about the nature of knowledge and knowing. Firstly, reminding me that the nature of a narrative as a dynamically reconstructed representation of events (Adler *et al*., 2017) will always produce a fully contextualised interpretation of the past. These storied interpretations are also sociocultural constructs filtered through identity, explicit efforts at meaning making and implicit modes of being in the world (Fivush and Merrill, 2016). Narrative research cannot be about what is but what respondents believe it to be. Whilst I found QNA helpful in thinking about the possibilities and limitations of narrative based research, I had no intention of taking a quantitative approach but rather adapting some of the major considerations as presented by Adler *et al*. (2017) as follows:

1. Design research questions best addressed by narratives by including questions that concern meaning making from the explicit, implicit and structural aspects of experiences.

2. Identify and create narrative prompts. Use consistent prompts across interviews to explore predetermined themes. Importantly, pilot these prompts to ensure that they are understood and relevant to the respondent as well as producing useful data.

3. Determine interview context. Will face to face, telephonic (or digital) interviews provide reliable and rich enough data to satisfy the research questions? Can I supplement this data with written narratives which, according to McCoy and Dunlop (2016, in Adler *et al*, 2017,

pg. 523), produce "briefer and possibly more coherent responses, reduce interviewer effects" (and efforts) and may facilitate the sharing of information?

4. Depersonalise written information and transcribe where appropriate returning to original written texts or recordings where clarity is needed on non-verbal content.

5. This also tied in with my intention of using the individual decision maker as the unit of study as per behavioural decision making and not the firm as per organisational theory. If I was going to create simple prompts that could generate easy to record answers where would I begin?

I found the following core narrative elements as adapted from Adler *et al* (2017) and McAdams and McClean (2013) helpful in determining the content of prompts. In brief, they provide 4 themes populated with narrative variables to be explored through prompts.

1. Motivational themes that concern a respondent's agency over initiating change and controlling their experiences. Here I would ask about *decision rights,* which would hopefully provide an array of contextual details.

2. Themes of integrated meaning are then explored through narratives in which a respondent has been required to change or update views of him/herself (or revisit a decision or belief), followed by the openness to reflect on and learn from a difficult experience which ultimately leads to a measure of meaning-making. Here I would ask about *facing an ethical dilemma* and what steps were taken in the absence of definitive guidance.

3. Veracity and impact of these narratives are explored through coherence with context, meaning and integration into larger life themes. Here I would explore *personal values and how coherent they were with their handling of ethical dilemmas*.

4. Complexity, the final structural element, explores the degree of engagement in the narrative and its impact. *Here I might only gather information about how engaged both the researcher and interviewee were by the length and nature of their responses*.

Returning to naturalistic enquiry, I now realised that I did have enough first-hand knowledge to form rudimentary ideas of the issue at hand from both the diagnostic workshops and the *think tank* meeting. I was also comfortable that my initial conceptual ideas were not at odds with my first-hand experience and proceeded to produce the questionnaire.

The questionnaire (Appendix 3) was designed and then tested with the workgroup and volunteer researchers. I was able to have a call with them in which we chatted through some refinements to it, the importance of the GDPR requirement and keeping their participants

anonymous. They were free to record as much or as little as possible in each interview. I spoke to them about trying not to direct conversations or prompt thoughts such as bringing up a particular incident, as that would frame the data gathered. Also, not to share their own opinions of Ethics and Compliance or any of the issues discussed but rather try to stay neutral by focussing on what the interviewee was thinking and saying. They were also asked not to provide definitions or correct those used by interviewees and answer questions only to provide clarity where required. Specifically, they should not define ethics or an ethical dilemma in any way even if the interviewee seemed unsure of what these concepts meant. Personal meanings ascribed to these topics were precisely what we were trying to find out.

In an effort to shed some light on the researchers own context, I was also able to ascertain why each of them was voluntarily participating in this rather time-consuming initiative. These were the answers I received.

- Desire to work with others that are ethical.
- This is the future of pharma and I want to be a part of it.
- This is the way we want to do business and work together. I support ethics both inside and out.
- I am hoping this will help us treat our employees as well as we treat our patients.
- This is important for our reputation.
- This will help us attract talent and be sustainable from a compliance perspective.
- I enjoy new initiatives that do not lend themselves to rules.
- I think this will help us meet people where they are and bring them along with us on the journey.

  These intrinsic motivators also served as useful reminders of the triggers that would prompt support for the rollout of the EDM Guidelines. I thought the final one was particularly fitting to what we were trying to achieve through this round of research interviews.

The questionnaire (see Appendix 3)

The interview could not proceed unless the GDPR disclaimer was read out loud by the researcher and verbally consented to by the interviewee. Given that this was a science-led organisation investing millions of euros into closely scrutinised clinical trials and testing, I was more than confident that they would follow the simple guidelines given to undertake this research.

What we were hoping to learn more about through this research was the following:

- How empowered employees felt to make decisions
- Knowledge of ethics and ethics related decision making
- Perception of the E&C function and the experiences that justify this
- Receptivity to the introduction of EDM Guidelines
- When and how these would possibly be used
- Receptivity to the idea of using an EDM coach
- Receptivity to working with E&C as consultants early on in projects and not just when a compliance flag is raised

Results and impact of this research on the rollout of the Guidelines: the implications of these interviews had to be communicated to decision makers at ABC in a concise and practical way. They were not particularly interested in my reflections and musings but rather *what do we now know that we hadn't known before* and *what does this mean for the rollout strategy for the EDM Guidelines*? And so below, I combine what was presented back to them with my own reflections.

What we learned

A total of 31 questionnaires were completed and returned. I was pleased with the volume of data gathered and how much the interviewers had recorded in the open-ended questions. Only one interviewer had not conducted these as transcribed interviews but rather sent out the questionnaire to be completed and returned via email. The answers to the latter were shorter and less conversational as is to be expected (McCoy and Dunlop, 2016 in Adler *et al*, 2017 pg.523). What follows is my process of extracting meaning from the data. Before finalising it, I was able to present it back to the researchers in a face to face workshop where we discussed the answers they had gathered and their own impressions and learnings. Their feedback, as well as further contextual details they offered, was as useful as the data gathered. Each question is listed below with a sample of answers to show what the data looked like, how I analysed it and the final result that I presented back to the organisation:

Demographic information:

All answers were collected against basic demographic information as per this extract:

Table 6 – Research – Demographic information extract

Region	Role	Yrs of industry experience	Yrs of industry experience category
USA	Field sales leader	10	10-19yrs
USA	Field Sales rep	12.5	10-19yrs
USA	Field Leader	21	20+yrs
Europe	Support function head	1	0-4yrs
USA	Manager – Operational Excellence	14	10-19yrs
USA	Marketing	13	10-19yrs
APAC	Office Manager	6	5-9yrs
APAC	Business Head	36	20+yrs
LATAM	Business Unit head	10	10-19yrs
Europe	Support	10	10-19yrs

From all 31 answers received we were satisfied that we had collated a sample that represented decision makers in the organisation in terms of geography, years of experience and business units. This collated data was presented back to the researchers as follows:

We interviewed 31 respondents across representative regions as follows:

Figure 7 – Research – demographic information

© T du Preez, 2020
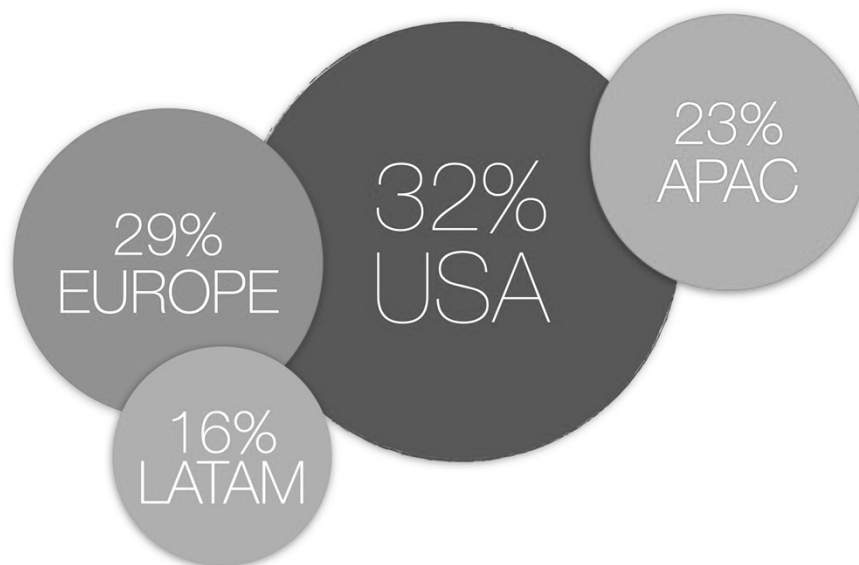
With the average years of experience in the industry per region as follows:

Figure 8 – Research – years of industry experience
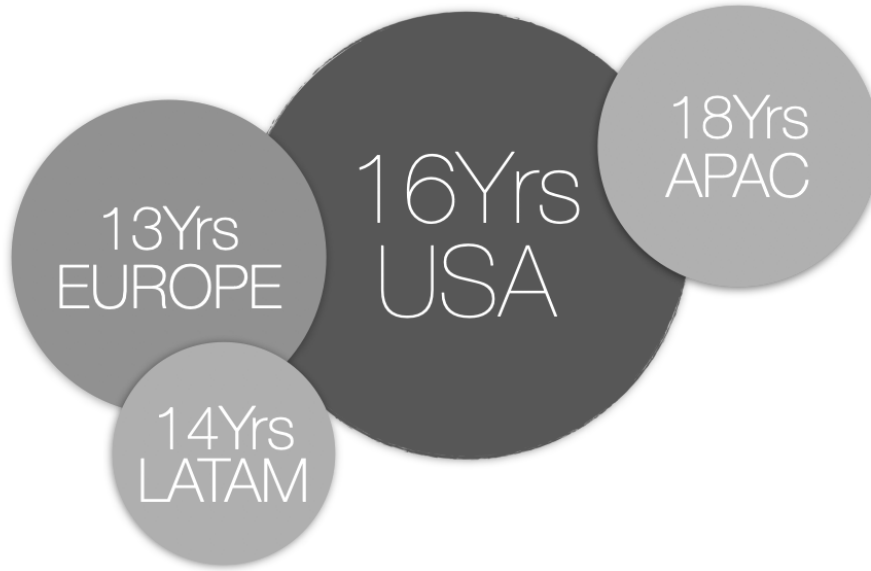
Question 1

1. What do you think is the difference between ethics and compliance at ABC, if any?

Column 1 in table 7 shows a sample of the data collected followed by the keywords I extracted:

<u>Table 7 – Research – Perceptions of differences between ethics and compliance</u>

What do you think is the difference between ethics and compliance at ABC, if any?	Keywords: Ethics	Keywords: compliance	Belief that they are similar
Compliance is about rules and SOPs – they govern how we act in the field. Ethics is more about doing the right thing – the patient first – as a leader.	Patient first, right thing	rules	
Ethics would be people making choices and decisions; Compliance means following the rules that ABC has set.	Making decisions	rules	
They should be one in the same. However, something could seem ethical but maybe not be compliant.	the same	the same	*
Ethics is the vision and strategy and principles by which we should work; Compliance is the process to ensure we do that.	vision, principles	process	
Ethics at ABC is the ability to make a decision independently and confidently; Compliance is the guard-rails that helps inform those decisions.	independent decision making	guard-rails	
Ethics is a series of guiding principles verses Compliance being rules.	principles	rules	
Compliance is more policy and process driven focusing on risk assessment and risk management. While, Ethics requires much higher level than compliance, it not only focus on internal and external policies and regulations, but also cultivate a culture to build and shape people's mindset.	culture, mindset	policy Process, risk management	
Compliance and ethics are very close. In pharmaceutical industry, our first priority is to bring values to patient in a compliant way and compliance is always zero tolerance.		zero tolerance	*

In order to represent the views expressed here in aggregate, I extracted the keywords relating to **ethics** and **compliance** separately and represented them in common word clouds using the size of the words to represent word frequency:
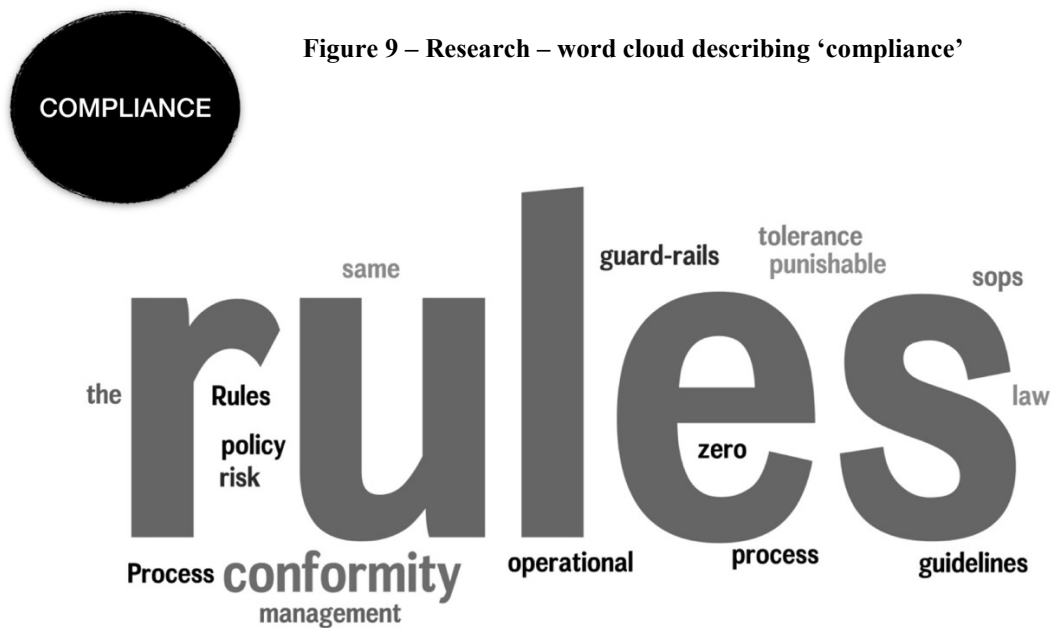
Figure 9 – Research – word cloud describing 'compliance'

Figure 10 – Research – word cloud describing 'ethics'

The results showed that there was far more variance around the words used to explain *ethics* than *compliance* with similar words being used across all geographies and languages for compliance. This is unsurprising given their compliance culture in a heavily regulated industry where standard

definitions of compliance terms are well established and used by leaders. Ethics is not something that they had spoken about as a company and definitions used reflected personal variety in beliefs, but many reflected on the role of values and *doing the right thing* as was seen in the diagnostic workshops. Trust was used less frequently than it had been amongst the more senior workgroups and community of practice that I had been working in. In exploring this further with the researchers, they explained to me that most of their respondents had reflected on the meaning of the word ethics as 'personal ethics'. "Doing the right thing in a way that reflects my values and so how I would judge myself." Trust is built *between* people when they understand that they can rely on the other person to be ethical and for this to happen they have to understand what being ethical means to the other party. The researchers told me that respondents were not thinking about ethics at this second layer of abstraction yet and, correctly, they did not prompt them to. Ultimately, ethics involved values-based choices while compliance was simply following the established rules and standard operating procedures.

Summary of themes for this question

- Ethics and compliance are not perceived to be the same
- Ethics is reflected in decision making
- Compliance is following rules
- Ethics is not viewed as right vs wrong but rather as an expression of personal values and beliefs
- Ethics is perceived as intangible whilst compliance is tangible

Significance for the rollout of the Guidelines: it was encouraging to see that ethics was already associated with decision making. This meant that we were on the right track to want to provide values-based decision-making guidelines rather than another compliance like set of rules to follow in decision making.

Question 2: Have you faced an ethical dilemma at work in the last 6 months?

Table 8 shows a **sample** of the data gathered from 31 respondents with the totals below. 16 Respondents had encountered an ethical dilemma in the last 6 months, 15 had not. The majority of respondents would seek assistance from either a colleague or superior (they could select more than 1) but compliance officers were not a popular choice with only 6 out of 31 respondents choosing to speak with them as explained in Figures 11, 12 and 13.

Table 8 – Research – Encountering an ethical dilemma in the last 6 months

Have you faced an ethical dilemma at work in the last 6 months?		Did/would you seek assistance? Yes	Did/would you seek assistance? NO	From colleague	From superior	from compliance
Yes	No					
	No					
Yes		Yes			*	*
Yes		Yes		*		
Yes		Yes		*	*	
	No					
Yes		Yes		*	*	
Yes		Yes		*		
	No			*	*	*
	No					
	No	Yes		*	*	*

Data totals:

Figure 11 – Research – Encountering an ethical dilemma by region
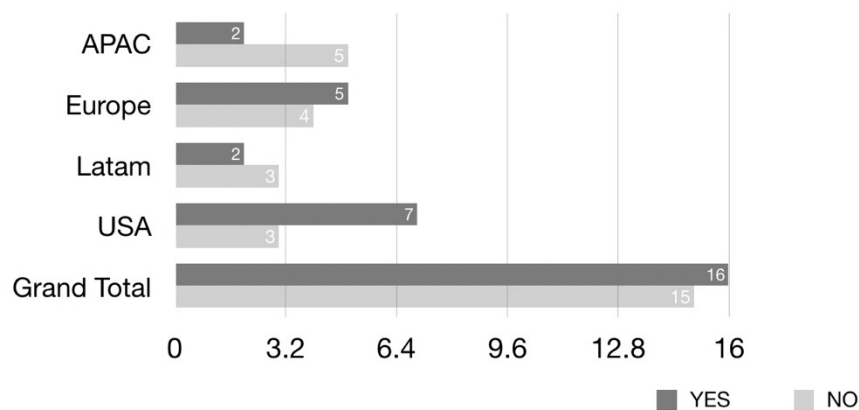
Interestingly, the totals mirrored the relative size of each regional workforce as well as its regulatory burden. Mid-career professionals (10-19 years of experience) were faced with the highest number of

dilemmas as they managed a larger workforce and a greater number of and more diverse projects than those with more and less experience. This was mirrored in my pilot study where mid-career professionals had more impactful decisions to make in a month than others.

Figure 12 – Research – Encountering an ethical dilemma by years of experience
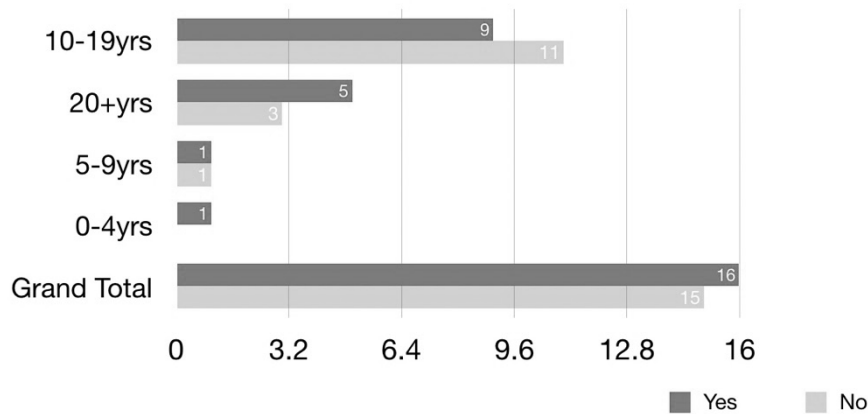
The sample was almost split between those who had and those who hadn't faced an ethical dilemma in the last 6 months (according to their own definition of an ethical dilemma in question 1). Of the 16 who had faced an ethical dilemma, only two responded that they would not or did not seek help to resolve their dilemma. The rest did or would turn to a colleague, superior (or both) whilst only a few would seek out advice from compliance officers.

Figure 13 – Research – When faced with an ethical dilemma who did respondents go to for help?
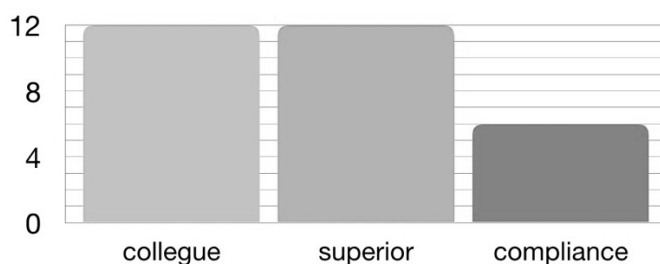
Amoungst those who had faced an ethical dilemma, the colleagues they were least likely to seek council from were those in compliance. This data was further expanded regionally with some regions mostly turning to colleagues and some excluding compliance completely. Not a single region preferred consulting with compliance officers over colleagues and superiors.

The debrief with the researchers included a robust discussion on the reasons they received for this regional variation. In some regions it reflected the approachability of individual compliance partners, previous experience with them or their understanding of technical matters as well as their

visibility. These were noted and included in a follow up report for the E&C department as it would be critical for this to be addressed if they were to be trusted to maintain the EDM Guidelines. *Should they (those in the ethics and compliance function) be the ones to roll out the Guidelines and be responsible for ethics at ABC* was another question raised for debate.

Significance for the rollout of the Guidelines: It seemed clear that colleagues and superiors where trusted to help respondends work through ethical dilemmas. This relationship already existed and I felt it should be utilised in the rollout of the Guidelines to ensure that participants trust the messenger and receive the Guidelines in the spirit they were created in: as a tool to assist in decision making that takes one's own values into account, not a rule to to ensure that decision making conforms to a rigid set of principles. Part of the 'wish list' for the Guidelines was that they help ABC's (traditionally conservative) employees take more calculated risks and be braver in the face of uncertainty.

It would also seem that beginning our rollout and training efforts with the mid-career cohort would be sensible and allow us to influence as many decisions as possible with the resources available. This group was also responsible for more employees than any other group and so their influence would be the widest.

Question 2.1
If you did face an ethical dilemma in the last 6 months: How did you know it was an ethical dilemma?

This question was only intended for those who had faced an ethical dilemma in the last 6 months, so that we could compare their example with their defnition and see if it matched what we believed a dilemma to be. We were looking for an evidence-based answer. However, most of them (except those who filled out the questionaire electronically) chose to answer this question. The researchers later told me that question 2 had prompted a discussion on ethical dilemmas and respondents generally wanted to chat about it. From this discussion researchers were able to record an answer to 2.1 regardless of whether the respondent had faced an ethical dilemma or not.

Sample of responses received:
- It involves patient care and struggling over what is best for the patient while balancing that with budget constraints.

- I am working in sales division, company goal is to accelerate sales growth, but it will be extremely important to become compliant, because any compliance scandal can jeopardize the entire company.

- The decision shall not violate any laws / regulations and it can help to achieve good results without causing any damages to others.

- Because I was confronted with a situation that would have not contravene any rule or code but that I was nevertheless not finding right and fair.

- As it was something outside of any law or regulation but that anyway did not feel right to me

- When interpreting compliance rules it is simple to comply without asking questions but when you are in a grey zone that does not fit a legal framework you start to reflect and there you can take a decision that is not the one that you would have taken if it did not impact the company

- As it was in contrast with my own values. I could not even sleep for several days. It was a revelation to me.

- It was a situation where the activity was "legal", but regardless of the law, it still did not seem like the "right" thing to do. In fact, it seemed wrong and unethical, and "looks really bad."

The full range of answers largely reflected what respondents believed an ethical dilemma to be – something that contradicted their own values or sense of fairness despite being legally acceptable. About a third of respondents cited compliance transgressions as examples of ethical dilemmas and these were generally more junior participants with less experience of dilemmas.
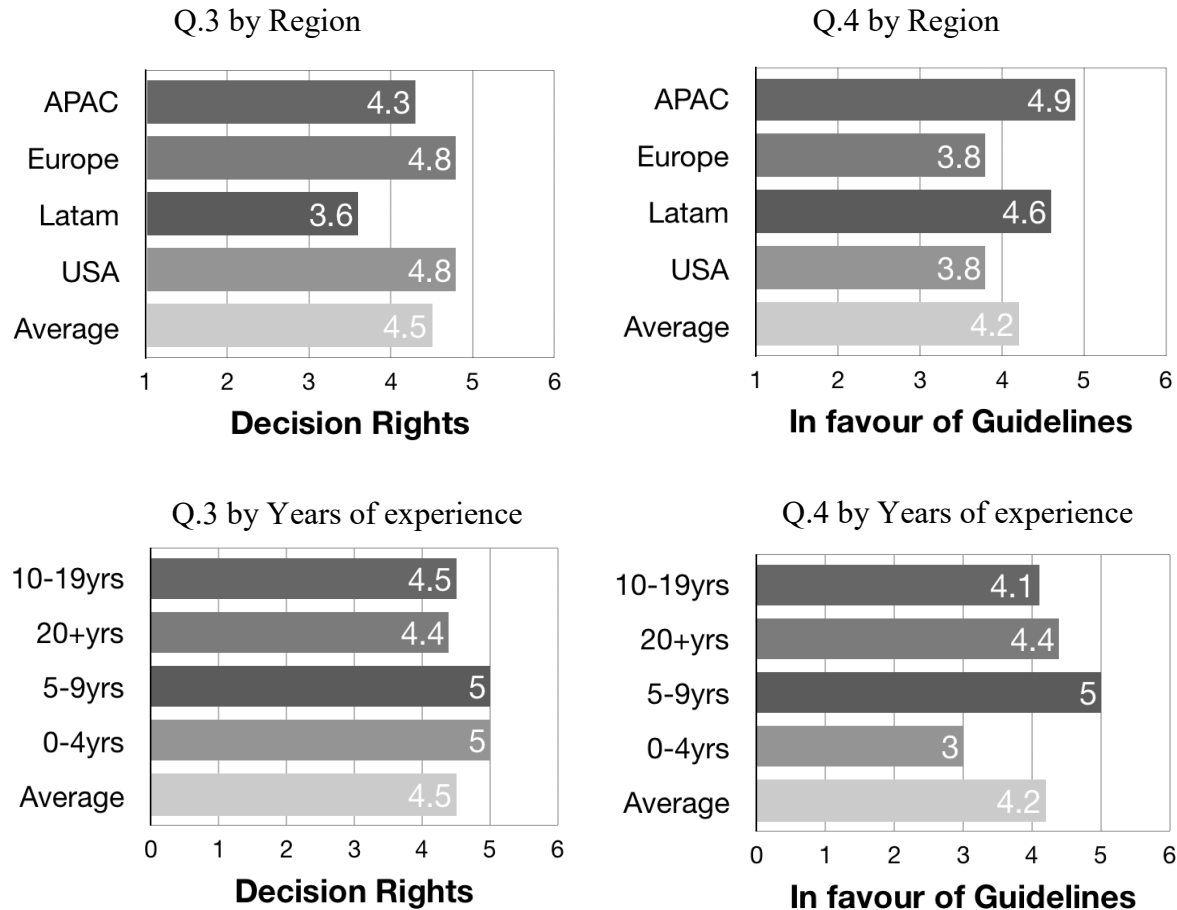
Significance for the rollout of the Guidelines: We could not take for granted that all employees have a clear definition of what an ethical dilemma is and how it differs from a compliance breach. This re-enforced that it was important to offer a simple way of identifying a dilemma and create shared language that employees can use to discuss ethics and dilemmas beyond how it made them feel. Why was it important that employees could identify a dilemma? In identifying a dilemma, employees could acknowledge that there is not a definitive or easy answer. Compliance rules would only help to a limited degree and this called for further and deeper consultation and discussion in order to ensure that all stakeholders are considered and that the thinking that leads to a choice is clear to the decision maker and transparent to stakeholders.

Question 3: Do you feel empowered to make impactful decisions at ABC?

Question 4: Would a set of guidelines to help you identify ethical dilemmas and work through them, be helpful to you?

These were answered on a Likert scale of 1-5 as follows:

Figure 14 – Research – Decision rights at ABC and potential usefulness of EDM Guidelines

Q.3 by Region

APAC	4.3
Europe	4.8
Latam	3.6
USA	4.8
Average	4.5

Decision Rights

Q.4 by Region

APAC	4.9
Europe	3.8
Latam	4.6
USA	3.8
Average	4.2

In favour of Guidelines

Q.3 by Years of experience

10-19yrs	4.5
20+yrs	4.4
5-9yrs	5
0-4yrs	5
Average	4.5

Decision Rights

Q.4 by Years of experience

10-19yrs	4.1
20+yrs	4.4
5-9yrs	5
0-4yrs	3
Average	4.2

In favour of Guidelines

Overall, perceived decision rights were very high amongst respondents at 4.5 out of 5. This contradicted our initial ideas and what we had seen in the diagnostic workshops. I had worded the question so as to be clear that decision rights meant the ability to *make* impactful decision not just contribute to them as we had seen in the workshops.

I decided to go back to the diagnostic workshop participant lists and my notes, and from this I realised that in every team decision-making scenario in the workshop, there was usually one person who was more senior than all the others. The latter made decisions on behalf of the group. Team members sacrificed decision rights to this senior member for this particular scenario - but context is important! In interviewing individuals about the decisions that they make on a daily basis, it is clear that they feel empowered to make decisions within their own organisational remit.

It was also interesting to note that the relationship between perceived decision rights and support for EDM Guidelines was inverted. Those with the lowest relative decision rights in Asia Pacific and Latin America where most in favour of the Guidelines as opposed to Europe and the USA which were least in favour perhaps because of their high decision rights? It could have been assumed that this reflected the collective nature of Asian cultures and hierarchical deference to authority (Haley and Tan, 1999). However, in talking this over with the researchers afterwards I learnt that both LATAM and APAC respondents felt far removed from the European Headquarters and so are less comfortable making impactful decisions without checking in with a colleague based closer to the heart of the business or deferring the decision altogether. Whilst the organisation was headquartered in Europe, their largest footprint in terms of both staff numbers and market share was North America and many decisions emanated from here. The further away staff were from this nominal HQ the more they appreciated guidance on their decision making such as the EDM Guidelines. I couldn't help but draw informal conclusions related to culture here as well. Where the collectivist societies of Asia and South America felt relatively less empowered to make unilateral decisions than did the individualist cultures predominant in Europe and North America. Either way the latter two were less in favour of the Guidelines albeit they were still positive on them being introduced. Herewith a collection of comments received in favour of and against introducing EDM Guidelines – it is worth noting that a majority of supportive comments were subject to conditions as seen below and there were very few comments against their implementation.

- Not if it could be confused with compliance SOP's
- Not for me, I am an attorney and obliged to be ethical
- Only if discussed with us first
- If they generated consistent discussion
- If they used real case studies
- If they could be customised to local conditions

A theme that emerged very strongly was that the Guidelines should be relatable. Illustrating the Guidelines with an example of an ethical dilemma perhaps found in the finance department would not be meaningful to an employee in manufacturing etc. This also tied in with the lessons learnt from implementing their Patient Value Model where they had learnt that it was more effective to *differentiate content per learner community* than use generic content.

Some felt that it would not necessarily be useful to them directly - either because they did not face ethical dilemmas (especially juniors) and others felt that it was already expected of them to be

ethical and hence they *already knew how to make ethical decisions*. Yet, it was expected of everyone to be ethical. I had interviewed several of the legal team in gathering ethical dilemmas and went back and reread the interview summaries – one third of them had misdiagnosed an ethical dilemma. In these cases, there was a clear answer, but it only became apparent later as they engaged with the problem domain in more detail. Erring on the side of caution is fine but it was clear that they couldn't all identify an ethical dilemma. The mid-career group that we had planned to focus training efforts on where the second least in favour of EDM Guidelines despite being the ones that faced the most dilemmas. However, their comments showed that they thought that others would benefit more from the Guidelines rather than themselves. If this was the group that we hoped to start with and ask to facilitate the rollout of the Guidelines, then they would learn to use them through facilitation anyway. Their knowledge of ethics and dilemmas would naturally develop through the process. Their examples and experiences would be valuable and help us create relatable content.

Significance for the rollout of the Guidelines: Apart from differentiation and relatability of training content, we also learned that respondents were generally supportive of EDM Guidelines being introduced. Our idea to use mid-career employees just below senior management level to facilitate the rollout of the Guidelines was further re-enforced through this. It was also decided to make the training course and use of the Guidelines voluntary.

Q5: Would the support of a trained ethical decision-making coach be helpful to you?
With 0 being *not helpful* at all and 5 being *very helpful*.

Figure 15 – Research – Perceived usefulness of a trained EDM coach
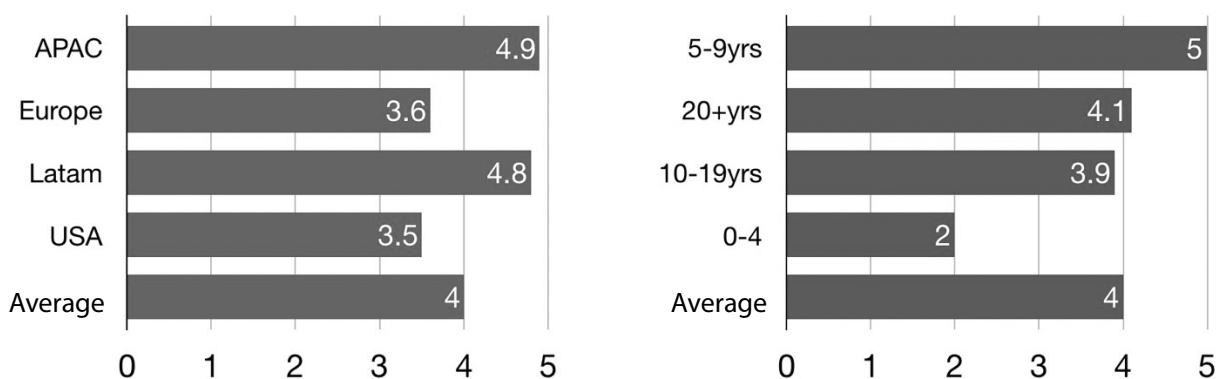
Some comments from the research that capture the diverse responses generated by this question were:

In favour:
- *Yes, it will be helpful.*

- Guidelines cannot cover all scenarios and aspects. A coach can help us to form an appropriate opinion and answer some practical questions.
- It is definitely needed especially at the beginning of a project.
- Yes, a coach will provide an independent perspective.
- Must be internal.
  Against:
- No; silly idea.
- Not for me but I am in favour of an ethics committee.
- If the training is about ethics, I think there is no such demand from my side, because ethics is cultivated from an early age. If the training is about compliance, having a coach is necessary as I can understand the company and industry requirement.

At this stage, we were not 100% clear on what the role of an ethical decision-making coach would be within ABC Pharma. However, members of the workgroup had been called on by various management and senior leadership teams to facilitate discussions that involved ethical dilemmas, using the Guidelines. This facilitation offering was growing in popularity and they saw a need to work with individuals one-on-one where the issue was particularly sensitive. There was also a desire to have trained EDM coaches and facilitators from outside of the E&C function, given the feedback that followed.

Again, the most support for EDM coaches came from LATAM and APAC interviewees who were looking for more certainty in their decision making. Less so from Europe and North America and from juniors and mid-career professionals. Interestingly those with 5-9 years of experience where unanimously in favour of this. They were coming into a time of increased responsibility with more complex decision making but less experience in the latter and so could see the benefit of a decision-making coach.

Significance for the rollout of the Guidelines: It was clear that this service would be of use. So, I began formulating a coaching structure for EDM coaches based on my experience as a decision-making coach, coaching best practice and the EDM Guidelines. Unfortunately, this fascinating and rewarding piece of work is beyond the scope of this enquiry but will find its way into my contributions to my community of practice in due course.

The questionnaire now moves on to part 2 focussing on trust in ethics and compliance at ABC and what follows is the data gathered from these questions:

Question 6. What is the current role of the Ethics and Compliance function at ABC?

Figure 16 – Research – Perceived current role of E&C at ABC Pharma

1 = Ethics only ➡ 5 = Compliance only
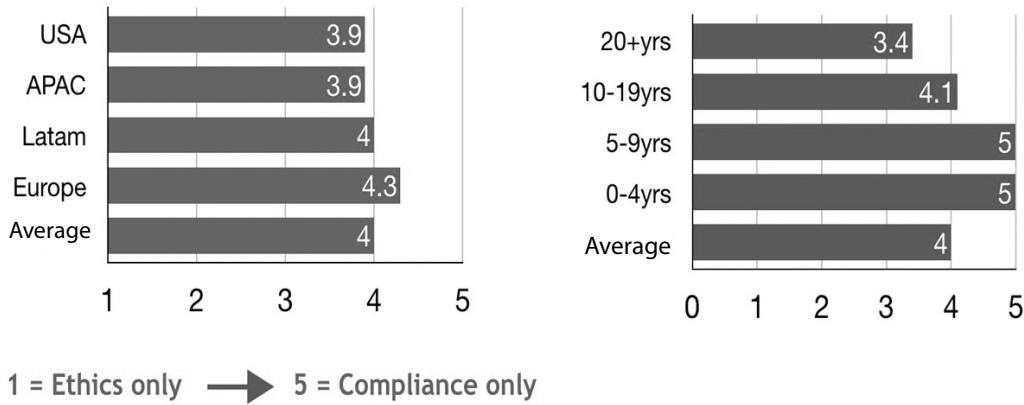
This confirmed what the *think tank* had already shared with us – that the Ethics and Compliance Function was seen as being mostly occupied with *compliance* and not *ethics*. It also explains why respondents did not turn to compliance officers when faced with ethical dilemmas as they did not see this as the latter's area of expertise.

Questions 7 to 9 continued to re-enforce this view as follows:

7. Have you dealt with Ethics and Compliance in the past?

7.1 Was your experience: Positive | Negative | Neutral?

7.2 Can you briefly explain why?

7.3 Did it meet your expectations of E&C? On a scale of 1-5 with 1 being *no* and 5 being *yes*.

Table 9 – Research – Experience of dealing with ethics and compliance

	# that have dealt with E&C	Average of Experience 1-5	Variation of Experience	Average of Expectation met 1-5
APAC	6	4.42	1.0	3.71
Europe	5	3.30	1.5	2.80
Latam	4	2.60	4.8	2.80
USA	9	4.11	1.4	4.61
	Count: 24	Average: 3.72	Average: 2.2	3.67

From the above, we learnt that 77% of our sample had interacted with the E&C department before. Their subjective ratings of this experience ranged from 1 (a below average experience) to 5 an above average experience). Per region, these perceptions of service quality varied quite widely from a high of 4.42 in Asia to a low of 2.6 in Latin America (Latam). The variance around the answers given was also highest in Latam and lowest in Asia. When asked if these interactions met individual expectations of service quality the answers also varied widely. On average, it seemed the average experience was, well, average. But the takeaway here for the E&C leaders was that there was considerable variance around this average, more so than they had expected. We had already established that the expectation of E&C was almost exclusively that they gave guidance on compliance issues and so such a variance around a pretty standard product with clear rules and guidance available was unexpected. This would require further investigation beyond the scope of this enquiry.

Question 8: Would you consider consulting an E&C colleague to advise on a new project from the beginning of the project?

Figure 17 – Research – Desire to work with E&C from the beginning of a project
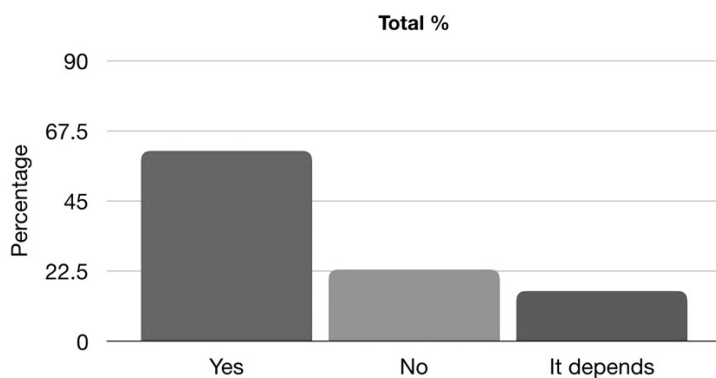
Given the mixed experiences of dealing with E&C, it was reassuring that colleagues saw the value in working with them early on in a project. Currently, the compliance department was only contacted if and when a compliance question arose. This could occur at any stage in the project but usually only after a project had been conceived. Moving to consult E&C colleagues early and routinely would give them a greater understanding of the project and allow them to be of far more value in navigating compliance and ethics hurdles alongside the project team.

Question 9: What advice would you give to E&C to help them become trusted partners in your decision making?

The answers to this question were largely thematic and grouped as follows in Figure 18.

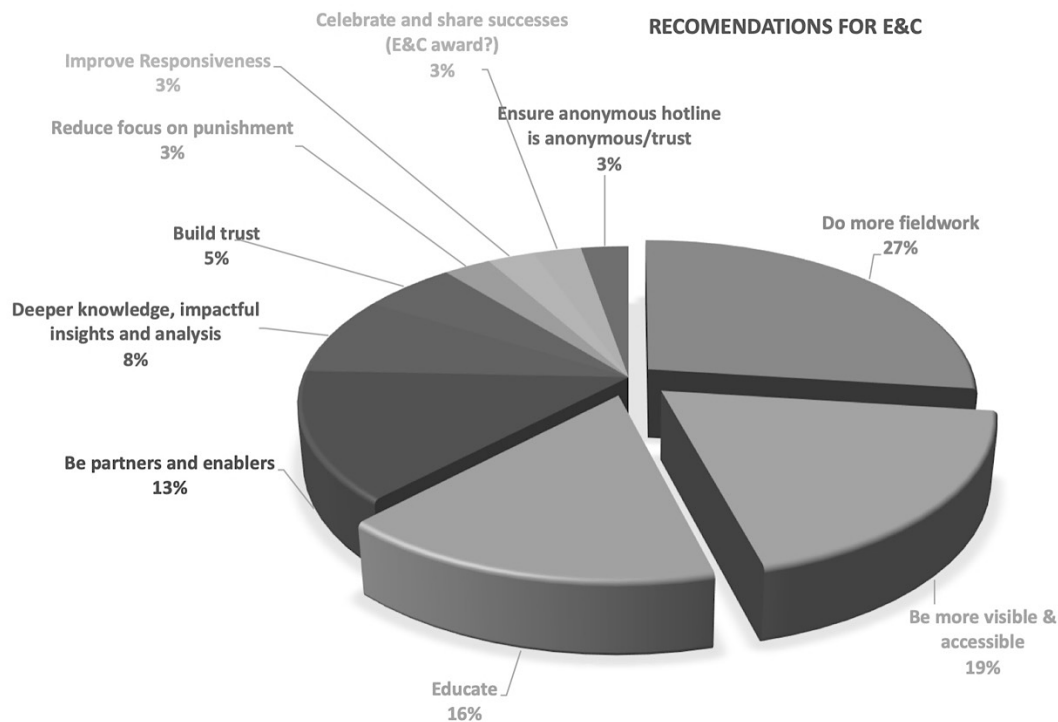**Figure 18 – Research – Advice to E&C to improve involvement in decision making**

Table 10 – Research – What advice would you give to ethics and compliance?

1	Do more fieldwork	Understand local context by doing fieldwork, having 1 to 1 dialogues and getting involved both internally and externally
2	Be more visible & accessible	Relates to fieldwork, education and building trust
3	Educate	Educate with vivid and relevent scenarios & share outcomes
4	Be partners and enablers	Be more responsive, flexible and solution focussed
5	Deeper knowledge, impactful insights and analysis	Proactively gather knowledge of industry and trends. Analyse problems more deeply.
6	Build trust	Through all of the above

Significance for the rollout of the Guidelines: This seemed to be a very clear ask from the business: *Do more fieldwork, be more visible and understand our reality better so that you can be true partners to us. Then we will trust you.* I learnt in the debrief with the researchers, that merely by taking part in this interview, respondents already perceived that E&C was interested in improving

their relationship with the business and felt hopeful that improvement was possible. This was significant for the rollout, but the question remained whether the rollout could be successful if E&C was not considered a true business partner who could be trusted to give council in ethical dilemmas?

Question 10: Which description do you think best describes E&C colleagues at ABC?

Compliance officers | ethics and compliance partners | ethics and compliance consultants

Figure 19 – Research – Frequency of words used to describe the role of E&C colleagues
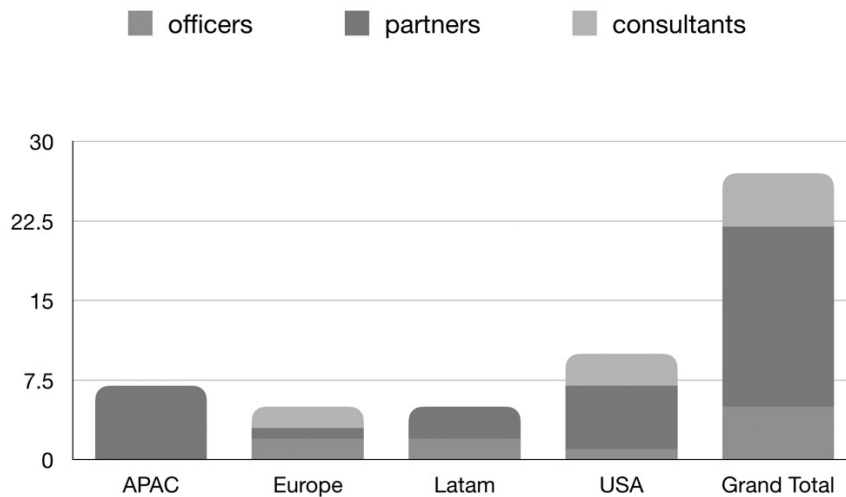
Answers to the final question showed that all was not lost and that there was a majority view that E&C colleagues could partner other business units as more than merely compliance officers.

End of research questions and answers.

How did this research impact the rollout of the Guidelines?

General themes were extracted from the research, summarised and used to inform the design of the rollout initiative as follows:

1. **Create experiences** rather than lessons or theory to communicate the Guidelines
   - Ethics is personal. It reflects your own values and moral compass
   - Implementation should incorporate experiences and stories that people can relate to
   - Build in respect for personal values in introducing overarching corporate values
   - Resolve unclear corporate values

2. **Socialise EDM** by creating learning communities that work on dilemmas together
   - Respondents mostly preferred to discuss ethics with colleagues and managers
   - They turn to people they trust for advice on ethical issues
   - E&C colleagues and EDM coaches must be trusted.
   - Equip local leaders with knowledge of EDM and EDM facilitation to make it more accessible and easier to have productive conversations

3. **Empower decision makers**
   - Perceived decision rights are high at ABC. EDM should build on this empowerment

4. **Differentiate delivery**
   - The Guidelines should resonate with each user community or user tier
   - Dilemmas and learning material should be customised to their own challenges and potential dilemmas

5. **Ensure credibility of the E&C function first**
   - Internal transformation of E&C should continue to build credibility and trust with the wider organisation before rolling out the Guidelines
   - Ambassadors outside of the E&C community should continue to be trained and supported
   - Be partners and enablers

Figure 20 – Summary of themes from research to inform the rollout of the Guidelines

- It was agreed that all employees should have access to this tool and be shown how to and encouraged to use it, not only leaders and managers. There was also a suggestion that prospective partners outside of the organisation should be familiar with and commit to using and promoting the values implicit in ABC's EDM Guidelines. To this end we created several different categories of audiences and a separate learning journey with the appropriate level of sophistication for each of them.

- There were also questions raised about the values used in decisions made by partners, vendors and suppliers and whether ABC should actively try to understand these and ensure that they are aligned with their own.

- The population of users was segmented based on perceived level of interaction with the guidelines

  - o **Tier 1**: **Superusers**- Those who are able to influence and champion ethical standards, communicate best practice from wider ethics communities and maintain the relevance of ABC's EDM guidelines.

  - o **Tier 2**: **Regular Users** - Those that would use them a great deal, facilitate EDM discussions and need to be well trained and stay up to date on the library of dilemmas.

  - o **Tier 3: Occasional Users -** Those that should understand the guidelines and be able to identify an ethical dilemma at the very least but will only use them occasionally and so may need access to a coach.

  - o **Tier 4: Audience** - Those that only need to be aware of and understand that ABC has guidelines – such as society, patients, media, regulator etc.

Figure 21 – Segmentation of potential users of the EDM Guidelines
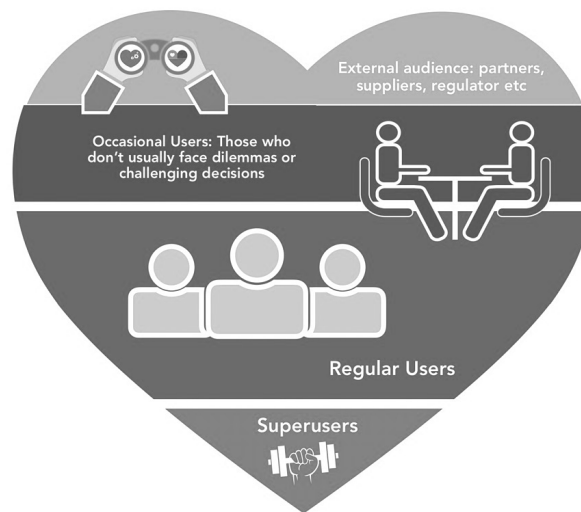
Putting the conclusions of this research into practice

I am pleased to say that this was not a report compiled to languish in an inbox. In exploring the essential ingredients found in successful ethics and compliance programmes, Muel Kaptein (2015) summed up available studies to offer 7 success factors as follows:

1. **Clarity** - Offers clarity to employees regarding un(ethical) behaviour

2. **Congruency** - Demonstrates role model behaviour by management (of both supervisors and senior management)

3. **Feasibility** - Provides the necessary resources to employees to engage in ethical behaviour

4. **Supportability** - Fosters a commitment to ethical behaviour among employees

5. **Transparency** - Enhances transparency of (un)ethical behaviour

6. **Discussability** - Creates openness in the discussion of ethical issues

7. **Sanctionability** - Reinforces Ethical behaviour through formal reward and sanction

Combining the above with the results of the research, I compiled a recommended rollout strategy to meet the objectives set for us for this part of the project. As a reminder the objectives were:

- Articulate ABC's Ethical Decision Making (EDM) guidelines

- Generate and record associated type 1 (an internal term for transformational and impactful experiences)

- Co-create appropriate tools supporting EDM

- Collaborate with stakeholders to enable and empower the business to own EDM

- Ethics and Compliance to act as a sounding board for EDM

- Encourage full engagement of the Executive Committee

The recommended rollout strategy can be found in [Appendix 4](#).

At this pause point in the project it is worth noting that I went on to design a further and larger piece of research to determine project impact and success to take place at the end of the rollout. This will be conducted with a far larger sample of learners within ABC. Everything is currently on hold as the world battles the Coronavirus pandemic, but this research should kickstart my journey of sharing knowledge through submitting papers to research journals such as the Journal of Business Ethics. I hoped to do this with the help and guidance of my second supervisor, Professor Muel Kaptein, from the University of Rotterdam as well as the project lead from ABC Pharma that worked closely with me on this project from the start.

Part 4

Part 4 is a traditional synthesis of this work into an existing body of academic literature with implications for further research and impacts on various audiences.

4.1 Synthesis

What did I learn through this enquiry?

"sometimes we simply have to keep our eyes open and look carefully at individual cases –
not in the hope of proving anything, but rather in the hope of learning something!'
Hans Eysenck (1976, 9),

This is a very broad question as learnings have been numerous and varied and documented throughout this narrative. What I have highlighted below are the learnings that I have taken out of this experience and used in my consultancy practice, either when creating behavioural decision-making systems or when working on other ethics or sustainability projects.

- I have learnt not to assume the context of the decision maker or learner but rather to explore, research and test assumptions.
- I have reinforced my belief that decision makers should be clear that they are solving the right problem before embarking on doing so.
- I have learnt the power of reflexivity and reflection. I now encourage my team and clients to divide decision making up into two parts. First to explore the problem domain thoroughly before even thinking of solutions and then only switching to solution generating mode.
- I have learnt not to use language around *doing the right thing* to explain ethical behaviour or decision making.
- I have learnt how powerful creating shared language around an initiative can be.
- I have explored how important it is to differentiate between doing what's legal, what's ethical and going the ethical mile because these may not all be the same thing.
- I have seen how important it is to bring a code of conduct to life through exploring and detailing the behaviours underlying the organisational requirements in a business code. This allows one to create a living, behavioural code.
- I have seen first-hand how explicitly using stakeholder perspectives to explore a problem domain improves the richness of a discussion, creates clarity in mental models and enhances stakeholder value creation.

There have also been some surprises for me. The most significant being the realisation that, despite continually reminding myself, and my clients, that decision making is *context* dependent, every decision-making framework I had previously developed had focussed on getting the *content* right. In selecting the best tools that would add the most value to the client, I had never once before considered the context of each individual decision maker and how best to help them adopt the decision framework. Even in this project I was ready to leave at the rollout stage as the design work was complete and yet, understanding how such a framework would be used and adopted has been one of my biggest takeaways.

Flyvbjerg concludes that "the case study produces the type of context-dependent knowledge which research on learning shows to be necessary to allow people to develop from rule-based beginners," (2006, pg.4). I can imagine I could not have learned this in any other way outside of an in-depth case study such as this.

In summary, what has added most value to my practice and clients has not been the creation of a singular theory or framework but the experience of working so deeply with an organisation, of getting the wrong answers and learning that I was asking the wrong questions and of having my eyes opened to the variance around individual context in organizational decision making.

What I do not yet know is the ultimate impact that the EDM Guidelines will have on the sustainability of the organisation, this research will follow.

Positioning within the literature

As described earlier, this enquiry is rooted in behavioural strategy and attempts to address the main obstacle to progress in this field.

"Behavioural strategy as a field has not completed the essential turn that would allow it to make significant contributions to practice; that is, pivoting away from individual cognitive biases and toward the design of decision processes that capture what we know about cognitive and social psychology."

(Sibony, Lovallo and Powell, 2017, pg.6)

As a case study this enquiry has documented the creation of an actionable strategy to improve decision quality in an organisation; leveraging knowledge in several disciplines to design a decision process that meets the organisations' desired objectives. In order for me to justify this positioning, let's explore the field of behavioural decision making in a bit more detail.

Positioning my research within behavioural decision strategy has allowed me to address some of the challenges of an enquiry that spans different fields such as legitimacy and paradigm diversification (Zahra and Newey, 2009). Its acceptance of research entrepreneurism as necessary to explore the complexity of decision making (Stingl and Geraldi, 2017; Winter *et al*., 2006), has also encouraged me in my research design and allowed me to be flexible in order to meet the practical applications required by my research partner, ABC Pharma. Yet even within behavioural strategy, rather than sitting neatly in one of its schools, my enquiry spans its *current tri-school segmentation.* Possibly reflecting the idiosyncratic nature of my enquiry*,* although I suspect that this will become commonplace for research on the real-world practice of decision making. In this I am heartened by a range of opinions and early studies that suggest that the full benefit to researchers only becomes clear when these theories, perspectives or paradigms interact in practice rather than stand alone for the sake of clarity (Pellegrinelli and Murray-Webster, 2011; Burrell and Morgan, 1979; Zahra and Newey, 2009).

Besides, funnelling research into the three schools of behavioural strategy was suggested to address a perceived lack of conceptual unity by Powell, Lovallo and Fox (2011). This theoretical divide creates the *reductionist*, *pluralist* and *contextualist* schools of behavioural strategy. To promote legitimacy, they specifically exclude works that lack robust theoretical grounding in psychology. Yet, the very act of confining research into three schools and requiring grounding in psychology might prevent future practitioner researchers from aligning their work with this field and so minimise the real contributions to practice that they seek. Whilst my work sits within behavioural decision strategy, it is not a perfect fit, it is entrepreneurial and pragmatic.

What follows is a brief explanation of each of these schools in behavioural strategy, their associated ontology, methodologies and examples of the types of research associated with each. The overview is adapted from Powell, Lovallo and Fox (2011) and Stingl and Geraldi (2017) whilst examples of research are adapted from a systematic literature review providing an overview and synthesis of behavioural decision making in projects (strategy implementation) by Stingl and Geraldi (2017).

Table 11 – Overview of the current three schools of thought in behavioural decision strategy

	Reductionist	Pluralist	Contextualist
Ontology in relation to decisions	Decisions should be rational. Decision makers are subject to bounded rationality and deviations from rationality are studied.	Decisions are negotiated by decision makers who are rational and influenced by personal and political interests.	Decisions are the outcome of a sense making process requiring framing, interpretation of meaning and constructed narratives.
Unit of study	Decisions, individuals and team decision making.	Decision environment and culture of the firm, organisationally situated managers and groups.	Process leading to the decision, cognitive maps, schema.
Philosophical foundations	Positivist, objectivist, realist.	Critical realist, socio constructivist, pragmatism.	Phenomenological, constructivist.
Typical methods	Quantitative hypothesis testing, simulation, laboratory decision experiments.	Multiple methods.	Qualitative, ethnography, grounded theory.
Theoretical underpinnings (examples of)	Bounded rationality, cognitive biases, heuristics, groupthink.	Conspiracy of optimism, culture of irrational avoidance of anxiety, influencing emotions of others, strategic misrepresentation, negotiations, organisational routines, power distribution, game theory.	Competing narratives, sense making, actor-network theory, cultural dimensions, cultural schemas, future perfect strategizing.
Examples of research problems studied	Overoptimistic forecasts, escalation of commitment, loss aversion, project failures, cognitive biases in strategic decisions, differences in risk perception.	Overoptimistic forecasts, influence of emotions on decisions, balancing of stakeholder claims and sub-optimal stakeholder negotiations	Creation of a common vision for the future, conflict, misunderstanding, ignorance of problems and risks, different prioritisation of risk types leading to misunderstandings, Reluctance to abolish established goals

Although behavioural strategy is primarily about strategy and organisational projects as the vehicle that implements strategy, each of these schools are about decision making and reflect the influences faced by decision makers both within and outside of strategic decisions.

1. Reductionism is a positivist process grounded in the theory around the individual decision maker, encompassing bounded rationality, the behavioural economics literature (incl. prospect theory, heuristics and biases) and concepts in groupthink. In short, through modelling, simulation and experimental research, researchers explore how we deviate from a normative ideal of rationality. The reductionist literature and, specifically, their influence on the creation of the EDM Guidelines was covered in part *3.1 Exploring the literature on what is a good decision and how to make one?* This is perhaps the best recognised school within behavioural strategy and was tipped by Powel *et al* as playing a major role in the future of this field (2011).

Today, behavioural Economics is popularly perceived as comprising a long list of mental biases and heuristics (over 220) with catchy names (Davies and Brooks, 2017), that are fairly easy for anyone with limited knowledge of the field to make sense of. These biases and heuristics are observations of how our thinking and decision making deviates from traditional rationality and everybody can relate to at least some of them. The hypotheses that spawned this field started life as musings about puzzling observations such as; why we make different choices when the same information is presented in different ways (Lewis, 2016) that were tested through controlled experiments conducted by psychologists Danny Khaneman and Amos Tversky in academic and military settings from the 1970's. The success of the field is, in part, because its findings are generally easy to understand, easy to communicate and easily relatable - something that many other fields of decision making cannot be accused of.

Whilst Reductionism is the school of behavioural strategy most associated with decision making and Powel, Lavallo and Fox were correct in predicting its influence, I am not alone in feeling that its popularity has been detrimental to the field of behavioural decision making for a few reasons:

Whilst accessible to anyone, these lists do not necessarily help decision makers make better decisions. A reflective executive might study the symptoms of a particular bias to extract evidence of where he/she or others has fallen prey to it in the past and then try and do better in the future but with so many biases to stay on top of, many simply commit to thinking a little more deeply about their thinking. The theories in this school do not offer solutions, just

problems. This can leave some feeling disempowered by the overwhelming irrationality of our thinking. In my experience in executive education, exploring these biases with organisational leaders mostly results in the latter becoming adept at identifying biases in the reasoning of others but less so in their own thinking and information processing.

Raising awareness of mental bias and our various thinking mistakes especially under the banner of diversity and inclusion hasn't had a definitive impact on improving decision outcomes, either. Large scale *bias training* such as Starbucks did in 2018[33] across all their branches worldwide after several racial incidents marred their inclusive reputation, has been seen by some commentators as only effective as a public relations exercise. Biases are shortcuts that reflect our ingrained values and beliefs, neither of which can be permanently altered by a 90-minute keynote encouraging us to do so. Such unconscious bias training is aimed at countering discrimination in the workplace and separates out conscious from unconscious biases that affect our views on age, race, sex, disability, religion or belief, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity.

"Training virtually never has any effect on people's bias," says Frank Dobbin, who teaches sociology at Harvard University. "And it is partly because bias is based on a lifetime of experiences with the media, and with real life."[34]

Research[35] by the Equality and Human Rights Commission (March, 2018), suggests that unconscious bias training "can be effective for reducing implicit bias, but it is unlikely to eliminate it" *(pg. 21)*. Interventions that aim to reduce explicit bias or openly prejudiced behaviour have also yielded mixed results because people "tend to believe that they do not hold explicit prejudiced attitudes" *(pg.22)*. This is why large organisations still implement hard controls such as race and gender targets for hiring and promotion and other diversity and inclusion initiatives rather than relying on soft nudges such as unconscious bias training. If all cognitive biases are implicit biases, then merely being able to raise awareness of them is not enough and can even be detrimental.

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[33] *Starbucks staff get anti-bias training* (May, 29, 2018), Toronto: Canadian Broadcasting Corporation, available at https://www.cbc.ca/radio/thecurrent/the-current-for-may-29-2018-1.4681275/evidence-shows-starbucks-anti-bias-training-may-backfire-says-expert-1.4681343. Retrieved on 04/0802020

[34] 'I am Not Aware Of That': Starbucks Employees Receive Racial Bias Training written by Joel Rose, May 29, 2018. Retrieved on 06/11/2019 https://www.npr.org/2018/05/29/615263473/thousands-of-starbucks-stores-close-for-racial-bias-training?t=1573050032187

[35] Atewologun, D *et al*, 2018, *Unconscious bias training: An assessment of the evidence for effectiveness,* Equality and Human Rights Commission Research report 113. Available at www.equalityhumanrights.com

Behavioural economists Davies and Brooks (2017) comment that "Taken in isolation, the ideas and concepts that comprise the field of behavioural economics are of very little practical use. Indeed, many of the attempts to apply these ideas amount to little more than a trite list of biases and pictures of human brains on PowerPoint slides. Talking a good game in the arena of behavioural finance is easy, which often leads to the misperception that it is superficial" (pg.1).

They believe that making behavioural finance work in practice is much more challenging:" it requires integrating these ideas with working models, information technology (IT) systems, business processes, and organisational culture" (Davies and Brooks, 2017, pg1). My experience has led me to believe that, whilst prescriptive de-biasing strategies can be very effective, due to their procedural nature, they do not change the way an individual makes decisions, but rather impose a standard operating procedure that must be followed. Outside of the exact context of the procedure, decision making is likely to revert to what it was without the de-biasing strategy and does not fundamentally improve. Of course, this is still helpful and there is a place for understanding biases and building strategies to mitigate them, but this is only one part of the puzzle. I learned through feedback, comments and discussions that the most successful and appealing element of the Guidelines created in this study is its simplicity. No special circumstances, tools, technology or processes were required to use it. Just an open mind and, eventually, someone to have a conversation with.

Using the principles of bounded rationality and the subsequent mental biases and heuristics it promotes in marketing and sales efforts to drive profit or political gain is another point of contention. In their ground-breaking book, *Nudge*, Thaler and Sunstein (2009) show how these same reductionist principles found in behavioural economics can be used to influence the behaviour and decision making of individuals or groups. Examples include making organ donation an *opt out* exercise rather than *opt in* or reminding hotel guests that other guests *tend not to ask for fresh towels every day*.

"By knowing how people think, we can make it easier for them to choose what is best for them, their families and society," Richard Thaler and Cass Sunstein, Nudge, 2009.

Providing such actionable persuasions proved so popular with governments that both the UK and US governments have used nudge advisers[36] in formulating public policy in the past. However, using our cognitive limitations to drive a public policy agenda has generated criticism towards economists of being paternalistic and manipulative in a field that has traditionally been hostile towards soft paternalism as neither innocuous nor obviously benign (Glaeser, 2006). The Economist (a newspaper) in an uncustomary sympathetic view on libertarian paternalism cautioned of the potential of political overreach under the guise of nudge principles towards partisan ends[37] (2006).

The hope for the decision-making processes that I design for organisations is that they improve decision outcomes through improving the quality of thought and conversations that go into them. Whilst these tools nudge decision makers to think more deeply about their thinking and the stakeholders in their choices, they are not designed to funnel thinking or action in predetermined directions but rather open up the number of outcomes they consider in their choices.

Given that this first school is perhaps the most frequently associated with decision making in practice, its disproportionate influence can have negative consequences on the advancement of behavioural decision strategy (Stingl and Geraldi, 2017), new ideas and directions to offer empowering solutions to decision makers would be very welcome and perhaps, looking to the other two schools might offer some direction.

The Pluralist school is the second school of behavioural strategy that complements the first with a widening of its focus. It also maintains a normative ideal of rationality with a rational decision maker at its heart. However, the lens widens from the individual to the interactions between decision-making agents and *deviations from a rational norm are sought in intra-group conflicts, resulting in opportunistic behaviour and bargaining* (Stingl and Geraldi, 2017, pg 122) as fostered and supported by the overall decision environment of the firm (Powell *et al*, 2011). It draws in numerous theoretical traditions and multiple research methods, hence its name. The influence of social psychology, organisational, political and game theory alongside

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[36] In 2010 the UK Government set up a Behavioural Insights Team, commonly dubbed a "nudge unit", to develop policies. The previous US president Barack Obama recruited Cass Sunstein as an adviser to assist US government departments to adopt behavioural economic concepts such as nudge.
[37] 'The state is looking after you; Soft paternalism. (The rise of soft paternalism)', (2006) *The Economist (US)*, 379(8472), pp. 15US.

more recently the influence of emotions on decision making, serve to paint a broader picture of decision making within and between groups and entities.

Despite being broad, research specifically conducted within this school alone is limited in favour of researching across two or more of the schools. According to Stigl and Geraldi the two main topics explored are s*ub-optimal negotiation outcomes in bargaining and negotiations* and *overoptimistic forecasts* for which different reasons are offered than in the reductionist literature. The latter blames bounded rationality whilst the former does not shy away from calling them lies (Flyvbjerg, 2007) or strategic misrepresentations that serve a specific purpose known only to the agent propagating it.

By way of example: China's compliance with international rules as earned it a reputation as a "rule-taker, rule-shaker, and rule-breaker in the global arena" (Mushkat, 2012, pg.674). Mushkat proposes that co-operation or non-cooperation with international rules by Chinese nationals goes beyond standard rules of bounded rationality, utility maximisation or self-interest but rather that of the pursuit of a particular purpose that might not be obvious to all players and so seems irrational, especially across cultural lines. These purposes could be deeply ingrained in tradition or have a temporal or social purpose or as a form of social or political adaptation. My own experience of living and working for 12 years in Confucian-heritage countries (Hong Kong and Singapore) bears out that this is a very interesting yet untapped area for decision making research that would fall within the pluralist school of behavioural strategy. Specifically, that "the empirical foundations underpinning theoretical generalizations (of seemingly irrational behaviour in decision making) are not sufficiently robust because they do not methodically incorporate insights based on the experience of countries other than members of the traditional core" (Mushkat, 2012, pg.676).

De Camprieu *et al* (2007) explored how different cultures (specifically Canadian and Chinese) evaluate risk in project proposals. Given that large scale projects often involve cross cultural funding or practical collaborations. They found significant differences in how the risk of a complex project is evaluated by representatives of different cultures and hence, how they inform decisions. This has direct bearing on the creation of feasibility studies as abstract representations of reality open to interpretation. Herbert Simon (1956) had already warned that in situations when managers use abstract or simplified data to inform decision making, subjective rationality further narrows, which can alter objective facts. Decision makers from different cultures view the world differently, which promotes different outcomes when

simplifying complex realities. The application of distinct subjective rationality to these simplified realities further compounds differences upon which decisions are made. This was born out in my enquiry through trying to hone in on a universal (cross cultural and cross functional) definition of *doing the right thing* at ABC Pharma.

These alternative evaluations serve some purpose of importance to the decision maker which cannot be found in the generic explanations of human irrationality. Concluding that decision makers are subject to overoptimistic forecasts because of a number of generic biases or heuristics simply cannot explain this complexity. Like countries, companies have a purpose that guides objectives and within that teams or departments have sub purposes that may or may not be aligned with overall organisational values and purpose. These driving purposes may also have a temporal or social purpose or not be obvious to all players and so seemingly irrational. To suggest that a single decision making or debiasing strategy could improve the evaluation of risks and quality of decisions made under these influences seems superficial. More in depth case studies of how decisions are made in cross cultural and cross organisational teams (not university laboratories in controlled environments) would continue to refine our knowledge of the antecedents and influence on decision processes. Getting comfortable with a messier view of decision making and decision makers will go a long way to behavioural strategy becoming more impactful.

Perhaps it is this complexity that researchers shy away from or the lack of philosophical or methodological coherence in the Pluralist school that make it a tough choice to ground research in. As you read in the literature review, in creating the EDM Guidelines for this enquiry I came across research, much of it grounded in psychology, that explores concepts such as the impact of emotions on decision making, but none of it was explicitly positioned within behavioural strategy, possibly because, at the time of publication they were not aware of its existence or it is simply not a significant enough field.

The third *contextualist* approach, zooms out further and adopts a constructionist lens. Using primarily qualitative research to explore the context in which decisions take place and the process leading towards them. It does not define a normative standard. Within this school it is assumed that "firms and environments are socially constructed; firms are ideological; decisions and actions are decoupled; actions are emergent [and] externally influenced" *(Powell et al, 2011, pg.1372).* Whilst the pluralist school explores the consequences of different perceptions and preferences, contextualist research is concerned with their origins using sensemaking to

explore how different interpretations of reality lead to ignorance of risks, reluctance to change and misunderstandings and different value prioritisation between stakeholders, (Alderman and Ivory, 2011; Musca *et al*, 2014; Thiry, 2001). Competing narratives, cultural dimensions and schemas as well as different ways of learning are also seen as contributing to different realities that lead to different choices even within somewhat homogenous groups. This was what the workgroup and I experienced in gathering information about how decisions were made and how ethical dilemmas were identified and addressed at ABC Pharma.

Unlike the other two schools, the contextualist school also explores successful projects. Several authors (Pitsis *et al*, 2003; Musca *et al*, 2014; Alderman and Ivory, 2011) show how converging narratives strengthened project implementation as stakeholders were able to make sense of project variables through dialogue. Leading to less mistrust, confusion, blame and withdrawal from the decision process. Challenging one's own reality through the collection of multiple views also reduces idiosyncratic bias, which is another way that dialogue strengthens decision making leading to better project outcomes. Hence the requirement within the Guidelines to invite comment from 3 different individuals with different relationships to the decision at hand. Thiry (2001) argues that *a lack of sense making will trigger individuals' anchoring into existing paradigms.* If these paradigms are opposed within a project, then decision making is frustrated. Within this school there is some emphasis on steering the sense making process (Stingl and Geraldi, 2017) and finding ways in which the project manager is able to provide interpretive frameworks to facilitate the creation of shared meaning. The Guidelines created at ABC are such a framework.

Now that the Guidelines have been used by almost all the management teams, we are learning that they are indeed being used as a sense making tool to anchor discussions in. Firstly, by ensuring that there is a discussion around "are we solving the right problem", decision makers are surfacing assumptions and idiosyncratic meanings that they had attached to problem domains that would have gone unnoticed until challenged later on in the process. What has been reported to be particularly useful to the sense making process is exploring the impacts on stakeholders and stakeholder relationships. These conversations allow decision makers to step out of their own mental frames and points of view and delve deeply into the reality of stakeholders. This is where further assumptions, but importantly, risks and unintended consequences surface. Many of which would not have been that easily identified through the lens of only the decision maker.

It has also been reported that "by anchoring a decision discussion in stakeholder perspectives, we create a set of facts that we can all agree on as a foundation to the decision-making discussion. This speeds up the discussion and leads to more creative solutions as we have explored the issue from different angles," ABC executive.

Given the qualitative nature of research in this school, research output is often in the form of processes or drivers that facilitate the creation of a shared vision amongst stakeholders. (Stingl and Geraldi, 2017). There are no de-biasing strategies or systematic solutions to counter thinking errors and improve decision making as such.

This enquiry has explored aspects of each of these schools in practice. This has been done through two processes. Firstly, exploring and reflecting on the process of creating the guidelines, the series of decisions made, my role as a consultant, creating shared meaning and understanding the effects of context. Secondly, the Guidelines themselves use the learnings from this as well as pulling together the appropriate literature from each of the schools of behavioural strategy to create a practical interpretive framework to improve ethical decision making in line with the organisational objectives. The Guidelines and their creation have been sensitive to the organisations history and culture as called for by behavioural strategists.

> "To contribute to management practice, behavioural strategy needs to
> show managers how to make better decisions in organizational settings."
> **(Sibony, Lovallo and Powell, 2017, pg.16)**

In summary, I have taken up the above challenge posed by behavioural strategy to focus on organisation-wide decision processes aimed at specific organisational goals.

Why I didn't situate this enquiry in the field of behavioural ethics

As previously discussed, despite drawing on many different fields, the behavioural decision-making literature was the most suitable home for this enquiry. However, given the ethical component of the decision system built throughout this enquiry as well as the overlap in literature used, it would be amiss not to at least explore an alternative home in the field of behavioural ethics.

The fields of behavioural decision systems and behavioural ethics have developed quite separately yet at its core *being ethical* comes down to the choices that we make. Raising the

question of whether these two fields should work more closely together? Consultants, like myself, that specialise in decision making have to explore a variety of different fields to understand the decisions and the challenges that our clients face in order to improve decision quality. As a practitioner, the exact field in which this theory is embedded makes little difference unless I can operationalize it for my practice. Yet, this enquiry needed to be grounded in the most suitable body of work.

This field encompasses a wide variety of studies covering topics from moral awareness and moral cognition to morally deviant behaviour through moral seduction theory (Moore *et al*, 2006). Like behavioural decision making it is a vast field with several areas of overlap between the two fields. This is not surprising given that ethical *decision making* is the expression of ethical or unethical behaviour.

In a review of the field, Treviño, Weaver and Reynolds (2006) define behavioural ethics broadly as referring to "individual behaviour that is subject to or judged according to generally accepted moral norms of behaviour (pg, 952)," with a main goal of understanding the primary drivers of good and bad ethical decision making (Treviño *et al*. 2014).

With this focus on individual behaviour, literature in this area encompasses an extensive body of research that is frequently grouped under the categories in James Rest's four-component analysis of individual decision making namely: moral awareness, moral judgement, moral motivation and moral behaviour (Rest, 1986; Rest *et al*, 1999).

There are several areas of overlap between my enquiry and behavioural ethics including the importance of identifying an ethical dilemma through moral awareness (Rest, 1986; Sparks and Hunt, 1998) without which moral reasoning would not be applied to the dilemma at hand. Identifying an ethical dilemma is the first step in ABC's EDM Guidelines. However, once the Guidelines were upgraded to become the decision dilemma tool to be used across all difficult choices, this ability to call out an ethical dilemma became a moot point.

The topic of moral awareness has attracted a large pool of researchers covering a range of topics from individual to contextual factors that raise one's sensitivity to recognising an ethical dilemma - from moral cognitive predispositions (Reynolds, 2006a) to the influence of competitive frameworks and of the moral language used (Butterfield, Treviño and Weaver, 2000).

Moral judgement follows identification of an ethical dilemma and Kohlberg's cognitive moral development theory (1969) has proven to be the foundation of many studies in this area. Kohlberg proposes that decision makers follow a one-way path through six stages of moral judgement from an individuals' beliefs about right and wrong based on motivating factors such as obedience or fear of punishment through to the influence of rules and laws and finally the ability of an individual to decide autonomously based on universal principles of justice and rights. Despite its "influence on ethics theory, research, teaching, and practice" it is criticised for not addressing the judgment-action gap in ethical decision making (DeTienne *et al*, 2019) – where despite knowing what is the right thing to do, one still does not act on it.

In exploring this gap, some researchers have shown that an aptitude for moral reasoning does not assume moral behaviour will automatically follow (Floyd et al. 2013; Frimer and Walker 2008) and so understanding the translation from reasoning to action is an area of research much covered and called for from behavioural ethicists (DeTienne *et al*, 2019; Treviño et al. 2014). My enquiry does not explore moral agency nor the capacity for moral reasoning as needed to shed further light on the judgement-action gap.

There are some further areas of overlap here with my enquiry including the impact of bias and emotions or affect (See Eisenberg, 2000, for a review; Gigerenzer 2008; Sunstein 2005) on our reasoning and choices in that they cause a departure from rational decision making. With remedies suggested such as expanding one's analysis to examine consequences for multiple stakeholders (Messick & Bazerman, 1996) as proposed in the Guidelines.

Despite these overlaps, my enquiry does not seek to understand the primary drivers of good and bad ethical decision making (Treviño et al. 2014) nor does it address the "most urgent call" in behavioural ethics to "develop a holistic framework of moral character development and a comprehensive theory of ethical decision making" (DeTienne *et al*, 2019).

As I have shown, building and implementing a decision-making strategy does not rely on an understanding of the philosophical theories underlying the nature of morality nor contextual influences on moral judgement or agency. Whether the Guidelines successfully improve ethical decision making in the long term requires further study.

In addition to the above justification for not positioning this enquiry in behavioural ethics, it must be emphasised that I am not an ethicist but rather a specialist in decision making. That said, behavioural decision strategy is not a perfect fit either and below I explore recommendations to encourage the field to continue to develop ideas that are of use in practice.

How can behavioural strategy continue to grow as an academic field?
Whilst I felt that grounding my research in behavioural strategy was a better fit than in other academic fields available such as behavioural economics or behavioural ethics (as discussed above), it still wasn't a perfect fit. I was encouraged by the call for practical examples of building and using behavioural strategies but also disheartened by the requirement that these all be grounded in psychology, as previously discussed.

I'm an economist by training not a psychologist, and the work I do has been informed by several fields of study and practices reflecting the multifaceted nature of decision making in practice. I would encourage other behavioural strategy researchers not to be put off by the strict entry requirements or the tri-school segmentation. If behavioural strategy hopes to address its self-proclaimed limitations and really make an impact on practice, then more case studies will be required. Given the varied nature of decision making, these may encompass a variety of topics and approaches not currently listed or encouraged. I will certainly continue to synthesise knowledge across fields in order to improve decision quality in practice.

I would also encourage those that guide and grow theory in this field to continue to value the contributions made by practitioners. Especially given the access that the latter have to decision makers and the ability to influence decisions made in some of the world's largest organisations today.

Did this enquiry achieve its aims?

As I reflect on this multiyear project that absorbed much time, money and various other resources from ABC and a large number of participants, I certainly owe each of them an answer to the above question. Given that this is a professional doctorate, the answer is twofold:

Firstly, did this project meet the objectives set by **ABC Pharma** as the primary audience?

Wish-lists blossomed throughout this project from its various stakeholders. The majority of these were for the content of the Guidelines and were met as explained in the section titled: _If and how the Guidelines address the various requirements and wish lists from stakeholders_ and where they do not meet them, reasons therefore are given. If I trace all the way back to the very beginning of the project and the initial meetings that I had with stakeholders, specifically, the workgroup, to set the scene and key performance indicators for the project these were:

Aim

To embark colleagues on ABC's transformation to a values- and ethics-based organisation by enabling them to occupy the decision-making space with the knowledge of key ethical principles and the confidence to apply them to the complex environment in which we operate.

Objectives (KPI's)

- Co-create appropriate tools supporting EDM (such as the Guidelines)
- Articulated the Ethical Decision Making (EDM) guidelines and generate positive learning experiences
- Collaborate with stakeholders to enable and empower the business to own EDM
- Empower the Ethics and Compliance function to act as a sounding board and facilitator for EDM

These were the aims and objectives for the entire project which was a joint effort between me and the organisation. More specifically my role was to advise on decision-making best practice and build the EDM Guidelines, all of which were expected to contribute significantly to reaching these outcomes.

Yes, I am satisfied that I co-created tools to support ethical decision making at ABC by co-creating the EDM Guidelines, conducting research on how best to rollout the Guidelines and continuously reflecting on what we were doing to provide deeper insights beyond the

immediate busy-ness of producing deliverables. I advised on several areas of decision-making best practice and used these to guide the project. There was an instance where I failed in this, which I have reflected on in the narrative. Within such a large project, this thesis hasn't covered all my contributions such as designing an EDM coaching product and training programme for EDM ambassadors and facilitators. This was a significant contribution to articulating the Guidelines.

Collaboration with stakeholders, interested parties and others within the organisation was a key aspect of this project and one of the most rewarding for me - from interviewing employees to gather their ethical dilemmas to working collaboratively with the workgroup and wider community interested and dedicated to this project. I believe that their involvement and the continuous involvement of leaders and ambassadors will continue to breathe life into this initiative.

I was not in a position to empower the ethics and compliance function to act as a sounding board and facilitator for this initiative as they were already far more knowledgeable and informed about ethics in their organisation and industry than I was. I certainly supported them, challenged them and developed ideas with them. I trained them in EDM coaching and delivered research to delve deeper into their ability to deliver this product credibly. What they do with this information is up to them.

Reflecting on the overall aim: *To embark colleagues on ABC's transformation to a values- and ethics-based organisation by enabling them to occupy the decision-making space with the knowledge of key ethical principles and the confidence to apply them to the complex environment in which we operate.*

Senior leaders at ABC found the Guidelines to be so effective in improving the practice of decision making that they (The Guidelines) were upgraded from being *Ethical* Decision-Making Guidelines only to be used when faced with an ethical dilemma to being used as their general Guidelines for all decision making. To this end they were renamed the Decision Dilemma tool and positioned within their overarching sustainability initiative. I am really proud of this. This shows their support for creating a values- and ethics-based organisation where all decision dilemmas are resolved through a values based, stakeholder-centred, behavioural decision-making strategy. Ethics is now at the very centre of all their choices and they believe this will contribute to organisational sustainability and meeting their goals identified from the

17 United Nationals 2030 Sustainable Development Goals. To me, this is proof of the project's impact.

The question remains whether employees will have the confidence to regularly apply the decision-making tools and ethical principles embodied by the Guidelines to the complex environment within which they work. To this end the Guidelines have been created to allow for increasing layers of complexity in decision making. The final research, conducted after this enquiry ends, will test the ease of use and usefulness of these Guidelines in everyday decision making. Much of the success of this project rests on how it is delivered to the wider organisation and positioned within existing priorities. I do think that the research conducted to inform the rollout will have an impact on the choices made here.

Is there anything I feel is left undone? Not really, this was a long, layered and textured project in which I was able to pursue or support many smaller initiatives. My contribution ran a natural course and eventually, resources for more paid consulting within the rollout phase were depleted. However, the final research on the success of the project was not paid and results are pending.

What about the academic objects and aims?

Let us start with the objectives and work our way back through the aims to ascertain whether my efforts in meeting them have fulfilled the purpose of this enquiry. Below, I list each objective with a short justification as to whether it was met or not.

Academic objectives

1. Designing a research proposal that is academically sound yet commercially appealing enough for an organisation to agree to engage in this extensive study. It should also be sufficiently flexible to adapt to the needs of the sponsoring organisation in real time.

   Flexibility was the key here, but rather than detract from the purpose of my enquiry, adapting to the real-world complexity of an organisation and balancing the needs of numerous stakeholders added to the richness and relevance of what I was doing. The organisation stuck with my enquiry until the very end, in fact, past the very end, and so I am satisfied that I met this objective.

2. Enhancing my knowledge of decision-making theory and research in order to offer the most appropriate solution to the organisation.

   Delving deeper into the literature around decision making best practice gave structure to my knowledge on the topic but was not as impactful as I thought it would be. It also was not sufficient to meet the client's objectives. Rather, it is been the bringing together of different areas that impact decision making such as ethics, behavioural strategies, emotions and their organisational learning and knowledge that transformed my practice and allowed me to offer an appropriate solution. I had hoped to offer the 'most' appropriate solution however, I see now that this word is misplaced. Given that we only offered one solution with no knowledge of alternative solutions and their impact, there is no way of knowing if we offered the best solutions only if the current solution is appropriate.

3. Ensuring that the objectives of the decision system to be built are very clear and achievable for both myself and the sponsor.

   This was something that the project team (sponsor) was not too fussed about initially. As you would have seen through this narrative, I believe that spending time thinking about whether one is addressing the correct challenge before directing resources to a solution is the safest way to start any problem-solving process or challenge. Ultimately, my efforts would also be judged on whether they met the objectives set or dealt with changes in the requirements as they arose. As an outsider who couldn't readily tap into organisational knowing, clarity of objectives was important to me so I continuously rerouted conversations to his point. I eventually had an abundance of different objectives which were narrowed down for me to the ones explored earlier.

   I am currently working on an ethical decision-making programme with another, larger, pharmaceutical company and we are in the process of defining objectives. With every stakeholder consulted the list of requirements lengthens but my enquiry at ABC has re-enforced how important it is to continuously chisel these down to their essence. I am holding steady.

4. Building a behavioural decision-making system that can achieve these requirements. Documenting and reflecting on the creation of this system as it is being built to ensure a sufficiently robust case study.

I think this narrative is testament to having achieved this objective.

5. Gathering sufficient data on decision rights and decision-making behaviours in the organisation so that the system can be positioned and rolled out to complement these.

    This was an ongoing theme through the diagnostic workshops, *think tank* meeting, design thinking workshops and the research carried out to inform the rollout. Again, I am not sure how to quantify 'sufficient'. We certainly collated several different points of views that encompassed both context and content. Given the dynamic nature of any organisation, the data we gathered was a snapshot in time reflecting views subject to constant revision.

6. Measuring the system against the objectives set with due regard to ethical considerations.

    This research would have been completed at the end of April 2020; however, the outbreak of the Covid-19 Pandemic has paused the rollout of the Guidelines. The rollout and research will eventually continue, and the final measurement will be taken at different points in time. My hope is that it forms the basis of academic submissions to journals interested in organisational ethics, decision making and behavioural economics. I have already discussed possible academic submissions with the project lead from ABC who is keen to work with me on this.

7. Continuously and critically reflecting on what worked and what did not and the evidence for this.

    Whilst reflection was indeed a constant part of this case study, the greatest learnings did not always arrive from my self-motivated critical reflections which, rather arrogantly, I had thought would be the case. Rather, they arrived from being shown that I had gotten something wrong or fallen prey to a thinking mistake that I am all too aware of in theory. Reflecting on the consequences of these is where I grew most as a practitioner.

    There was also a divide between reflecting on the practical things that we were doing – were we solving the right problem?, speaking to the right people?, gathering the right information in the right way etc? – and reflecting on the frames and points of view through which I interpreted my role in the project as a consultant and student. This included trying

to get comfortable with being an outsider with no knowledge of ethics, failing to trust the levels of engagement with this project and incorrectly forming views based on very limited experiences and information about the pharmaceutical industry. I have appreciated this rhythm of doing, thinking and adjusting over the last three years and found myself repeating this naturally in my work outside of this enquiry. I am encouraging my colleagues to join me in more thorough debriefs where we reflect more critically on what we produce for clients, but not everyone is up for the additional effort and discomfort that it sometimes brings. Now I am working on ways to make this a more palatable exercise as I continue to see the benefit in it.

8. Documenting my findings and reflections in an academic thesis positioned within the current literature alongside a non-academic nonfiction book* aimed at practitioners with the purpose of improving their decision making.

    This case study was introduced as an addition to the literature on behavioural decision-making strategies. This is further expanded upon in the chapter on positioning within the literature. My third book *DECIDE: The Art and Science of Choosing Wisely,* was published in the UK in Spring/Summer 2020 by Marshall Cavendish and is squarely aimed at practitioners with the purpose of improving their decision making.

9. Making recommendations for further academic and practice related research.
    This will follow in my final chapter.

Turning now to the academic aims I set myself back in 2017:

Academic aims

1. To extend the theoretical literature, this thesis aims to contribute a case study of the creation, implementation and measurement of a behavioural decision strategy designed to enhance ethical decision making at a mid-sized biopharmaceutical organisation.

2. Through sharing the detailed design and critique of this case study, as well as measurement of the effectiveness of tools implemented, I aim to contribute ideas and strategies that practitioners, decision makers and consultants can use to improve the quality of organisational decision making.

3. I also aim to transform my professional practice with an improved product offering that further enhances organisational decision making beyond this enquiry.

I do not think I need to go through each of these in detail as achieving the objectives has allowed me to meet these aims as well as my purpose which was:

Purpose - The purpose of this study is to enhance the practice of organisational decision making and contribute to the theoretical literature on behavioural decision-making strategies.

Impact

Impact on the client, ABC Pharma:

At this pause point in the project it is worth noting that I went on to design a further and larger piece of research to determine project impact and success. This will take place when ABC Pharma returns to 'normal' working conditions after the coronavirus pandemic. However, the impact of this enquiry is evidenced in many other ways, too:

- Senior leaders at ABC found the Guidelines to be so effective in improving their practice of decision making that they (The Guidelines) were upgraded from being *Ethical* Decision-Making Guidelines to be used when faced with an ethical dilemma only to being used as their general guidelines for all decision making. To this end they were renamed the Decision Dilemma Tool and positioned within their overarching sustainability initiative as they believe this will contribute to organisational sustainability and meeting their goals identified from the 17 United Nations 2030 Sustainable Development Goals.

- The project team also learned from senior leaders that part of the appeal of using the EDM Guidelines alongside their simplicity was that they created common ethical terminology and language that allowed employees to have more specific and productive conversations around dilemmas. Conversations around ethics were increasing. In examining the influence of language on ethical decision making in organizations, Treviño et al (1998) were able to correlate a willingness to discuss ethical issues to more ethical behaviour. Treviño et al (2006) propose that this may result from the influence of language on the creation of cognitive schemas that affect moral awareness and hence, moral decision making. Such *common* terminology was proving effective in such a multinational organisation.

Impact on my own practice:

The desired impact on my practice at the beginning of this enquiry was:

1. **To transform my own practice through a meaningful transition from a theoretical to an applied understanding of my work in order to improve my impact and the value I bring to clients.**

- Spending two and a half years working 'in the weeds' with unprecedented access to decision makers has given me a valuable window into organisational decision making. This has improved my ability to relate to decision makers and their choices as well as deepen the relatability and effectiveness of my product. I was recently told by the project lead at Astra Zeneca (a large UK based Pharmaceutical company) that my *insights into decision making in the pharma industry* are like gold to their leaders. I couldn't have achieved that without this enquiry.

2. **Improve the creation of my products through understanding the decision-making process in practice.**

- The decision frameworks I assemble now are much more streamlined. I find that the questions I am able to ask are more impactful and yield clearer answers to help me understand the challenge that I am being asked to address.

3. **Assemble a customisable decision-making framework**

- This was achieved through this project and I have customised that framework twice now for two other large, multinational organisations.
- Not only did I assemble a basic decision framework through this enquiry but also built a decision coaching programme which has proved successful and will enhance my practice, too.

Further impacts beyond my practice and on social formation

A further, surprising, impact on my practice has been my affinity for working in ethics and sustainability. I really feel connected to this topic and love that I can make a tangible difference in this world by helping senior leaders think more deeply about the impact of their choices on all their stakeholders. I have been so impacted by it that a partner and I have started a collaboration to design immersive ethics and sustainability products. Incidentally, my partner also worked on the ABC Pharma project with me.

We have recently held talks with the US Department of Trade to bring these Ethical Decision-Making Guidelines to their 28 000 trade partners across Asia Pacific. The latter already

subscribe to an industry code of ethics but they feel the EDM guidelines would help these partners operationalise the code. In addition, regardless of culture, a common approach to ethical decision making that includes decision-making best practice and considerations of stakeholder impacts would promote trust between these partners with the potential to reduce ever more stringent legislation.

Another body of work that has emerged has been for a larger UK headquartered Pharmaceutical company, again through Duke Corporate Education, where my partner and I have been able to turn the questions and learnings from this thesis into an immersive experience that takes their leaders through several scenarios in which they must wrestle with the complexity of ethical dilemmas and figure out what is the right thing to do in their organisation. By the end of 2021, this program would have been delivered to 4,000 leaders over 32 runs. Feedback at the end of 2020 showed us that these questions and tools were impactful as they wrestled with the many dilemmas that surfaced whilst creating a Covid 19 vaccine at unprecedented speed and scale.

My hope is that I can continue to promote an approach to dealing with organisational decisions and dilemmas that includes decision making best practice in a values-led framework. In a 2011 paper, Elm and Radin asked, "do individuals make ethical decisions differently from other decisions they make?" They sought to understand if the processes underlying ethical decision making was meaningfully different from other decision-making processes. They preliminary research showed that it isn't special, and the processes or strategies used aren't differentiated. Adding that if it continues to be treated as special in the literature we may be "impoverishing our understanding of ethical decision making by not connecting it to knowledge gained from studying individual decision making in general," (Elm and Radin, 2011, pg.325). This is significant in that it challenges the fundamental assumptions of ethical decision-making research. This further emboldens me to continue offering this as an integrated approach addressing the idea that whilst not every decision is an ethical dilemma, every decision should reflect an organisation's ethics and values.

Impact on my *theory* of decision making

Of course, such an intense enquiry into ethical decision making would also impact my beliefs around what makes a good decision. As stated in the introduction and expanded on throughout the literature reviews, my initial beliefs around what makes a good decision could be summarised as:

- I believe that good decision making is process, not goal, orientated.
- I believe that, in order to be effective, a decision-making process should be adapted to the innate way that an individual, team or organisation makes decisions in order to enhance actions that already feel natural. How each of us decides to decide will result from our unique selves; reflecting, amongst other things, our personality, culture, limitations, resources, influences, values and beliefs, our risk and time preferences and what we have learnt from previous decision experiences. I always ask those that I work with to first understand how they currently make decisions (either at an individual, team or organisational level) and only then do we discuss various decision-making tools that can be used to enhance their current decision-making process no matter how limited or extensive it is.
- I believe that such a customised decision-making process should be filled with best practice tools.
- I believe these tools should be chosen to help a decision maker explore information with greater clarity, abstract from the lens or frame through which they view it, surface assumptions and unintended consequences in first and further order choices, explore and fill blind spots in reasoning and allow for ideas and beliefs to be sufficiently challenged.
- I believe that emotions are a source of rich data and should be used as data points in analysis.
- I believe that a good decision-making process can serve as a debiasing strategy.
- I believe that a good decision process leads to less regret with hindsight.

This enquiry hasn't changed the fact that I believe these all improve decision quality, instead it has exposed a gap in my offering that I wasn't aware of before. I was treating ethical decision making as separate from other 'business' decision making and leaving it up to someone else to offer to organisations. Furthering what Freeman(1994), in a critique of stakeholder theory, suggests is a fundamental handicap of business today - a tendency to view ethics and business as mutually exclusive.

Now, as part of client engagements when I ask decision makers to explore their own decision-making strategy, I also ask them the role and impact of values in it.
I also offer the tools of ethical decision making learned through this enquiry as standard namely:

- A broader, behavioural exploration of what it means to *do the right thing* in an organisation,
- calling out differences between personal and organisational values as stakeholder risk management,
- understanding stakeholder impacts as a best practice and risk management tool.

This has also impacted my coaching practice. Whilst I subscribe to the code of ethics of my coaching association, it, along with others do not provide an ultimate guide to making ethical decisions (Iordanou and Iordanou, 2017). As Iordanou and Iordanou point out in 'Values and Ethics in Coaching,' "as our values, culture and assumptions are changing over time, and differ between countries, societies, industries and professions. Understanding personal and professional values is a continuous process from reflexion to reflexivity (p.45)." It is hoped that raising questions and inviting discussions about differences between personal and professional values will draw attention to these gaps and any adverse impacts it could cause to stakeholders in both my coaching practice and through the use of the EDM Gyidelines. Hence I have started looking at decision coaching through a values-led lens rather than purely meeting strategic or tactical objectives.

Contribution to knowledge and practice

This enquiry aimed to "contribute ideas and strategies that practitioners, decision makers and consultants can use to improve the quality of organisational decision making."

Not only has the enquiry explored the process of developing a behavioural decision strategy, demonstrated how to synthesise theory and practice into decision protocols to improve decision quality but also the practice of implementing such a strategy, taking into account the idiosyncratic nature of the organisation - its employees, organisational history, strategic objectives and ways of working. Further learnings resulted from the specific focus on ethical decision making in this enquiry.

Of course, the process used to develop a decision-making framework can be replicated in any other organisation, yet I would hesitate to recommend that. I have now built several behavioural decision processes for even larger organisations and, whilst the experience and process developed at ABC Pharma is the gold standard that I always aim for, no other project has afforded me exactly the same environment in which to replicate this process step-by-step. I now customise it instead, just as I customise the basic decision protocols that I developed here.

It is only as this enquiry draws to a close and I have the confidence to start using what I've learnt in other client projects, that the real value of this enquiry outside of ABC Pharma has become clear to me. Even the ability to challenge the status quo and recognise assumptions that may otherwise have frustrated a project have proven valuable *such as getting very clear on the actual problem or challenge we are addressing.* By no means am I recommending that conclusions from a case study would be valid in any other setting however, the questions that these conclusions have prompted would be applicable across projects and sectors and these are the questions that have impacted the stakeholders to this project and could be of use to other professional audiences.

What follows is a further discussion of the main themes that arose from this enquiry, the impacts these had on ABC Pharma and the questions that they raise for consideration or that can be useful to other Pharma companies and the professional audience to this enquiry.

1. Who is trusted to implement ethical decision-making guidelines in an organisation?
Trust was shown to be the centrepiece of the initiative to create an ethical mindset at ABC Pharma but also as the cornerstone of the ethical decision-making guidelines. The ability to create trust between colleagues, between employees and stakeholders and between ABC Pharma and stakeholders was agreed to be the foundation of what it means to be ethical and the starting point for the creation of the Guidelines. The definition of trust adopted was not a traditional definition but rather that - *to trust someone is to accept their words and actions without verification because they have consistently and proactively displayed ethical behaviour and decision making over time.*

None of the above was surprising but when trust was explored in ethical decision making, research participants openly challenged a long-held assumption not only in the Pharma industry but in industry in general that has seen the *compliance function* adopt the role of ethics guardian to become the *ethics and compliance function* in modern industry. This enquiry highlighted that they might not, in fact, be the right partner and that combining these two functions isn't necessarily the best course of action. In this inquiry we discovered that ethical decision-making was intensely personal, driven by personal values and beliefs. When faced with ethical challenges, staff did not approach the ethics and compliance function but rather a colleague or a line manager that they trusted. To be seen as credible champions of ethical decision making is very different from enforcing a code of conduct supported by clear

precedent and legislative requirements. The gap between the traditional compliance role and a more nuanced role of ethical guardians seemed to have been too wide to bridge in this particular organisation.

This is further supported by the personal nature of both decision making and ethics. An important element of my decision-making practise is that it respects the idiosyncratic nature of individual decision making. It should have come as no surprise to learn, through this inquiry, that ethics is as personal as decision making. This inquiry has shown that any process that wants to influence decision making within an organisation or even between stakeholders should shy away from an overly prescriptive decision making or ethical decision-making process whether at the individual, team, department or organisational level. Rather provide protocols or guidance around how to think and explore challenges in order to improve decision quality. After all, ethical challenges don't always have a clear answer but rather a range of potential impacts that must explored and weighed up against organisational and personal values.

This is perhaps another reason why compliance officers are not natural partners for implementing ethics initiatives and standards. Compliance is rule based with few individual variants or nuances, there are set answers to set questions – although getting to these questions can require nuanced and idiosyncratic expertise. Addressing ethical challenges requires bravery and a willingness to take calculated risks, which is not a traditional compliance role.

Instead, line managers were found to be best placed to implement ethical decision-making guidelines and foster the conversations necessary in order to use them to promote an ethical mindset. Ethics should not be the purview of the compliance function without at least questioning if they are best placed to do so credibly. I recommend that it rather sit as a core leadership competency required of every senior decision maker in an organisation. I believe that if the compliance function had insisted on maintaining control of this initiative it could have derailed a successful implementation.

I have also found both in this project and in subsequent projects that the creation of decision-making guidelines improves trust between colleagues. If employees know and understand the process that colleagues go through in order to reach conclusions, they are more likely to trust that those conclusions have been thoughtfully arrived at. Every decision process I have built has produced this outcome alongside improving confidence in decision making at an individual level. This circles back to fulfil the definition of trust as defined by ABC Pharma.

2. What does it mean to do the right thing in our organisation?

Initially it was assumed that there was a general understanding of what *doing the right thing* meant. it was only when we began exploring this topic that we realised that there was, in fact, not a general definition. I have explored this further with a larger pharmaceutical company (who has this phrase in their code of conduct) and, again, there seems to be agreement that this is not something that can be taken for granted. The initial search to find a definition for doing the right thing was again fruitless. This term can be likened to saying*, at x organisation we make great decision* and then leaving it up to individuals to decide what *great decision making* looks like. Answers and behaviours will vary.

I recommend that this term be removed from codes of conduct or at the very least explained in more detail by answering the question; What does it mean to do the right thing in our organisation? If this term is going to remain in a code of conduct or ethics, I recommend reaching out to a diverse group of employees and not shying away from a robust debate to understand what it means across the organisation before a definition is settled upon. You cannot expect staff to do the right thing unless they know what it is.

ABC Pharma removed this term from all their ethics guidelines and communications in favour of the behaviours that contributed to ethical conduct. This leads to the next recommendation around operationalizing codes of ethics.

3. Can a generic training programme improve ethical decision making?

Foundational to the field of behavioural ethics is the ability to recognise an ethical dilemma (Rest, 1986). Without this ability one does not know to proceed in accordance with moral principles. How to define an ethical dilemma at ABC Pharma generated a great deal of interest and discussion. Once the definition was settled on, further research showed that simply communicating this definition was not enough to ensure that everyone knew how to use it. Our research showed that customised and relatable examples should be created to train staff in recognising ethical dilemmas. Examples created for manufacturing staff had to be different from examples created for medical researchers to ensure that the ability to recognise ethical dilemmas in their own daily challenges was carefully honed.

Given that these guidelines were created to be helpful in unprecedented scenarios it also became apparent that their success depended on continuously updating possible scenarios as

well as providing a library of previous scenarios and ethical dilemmas as well as how they were worked through and resolved using the Guidelines. Creating an ethical organisation is not a one-off exercise but rather one that requires continuous investing and refreshing, especially as concerns the behaviours and support of senior leadership. The team at ABC Pharma found that continuously inviting and publishing new and relevant examples of dilemmas has provided support to leaders and maintained ethics as a living topic, not a once off compulsory training exercise.

In addition, including expected behaviours in the guidelines help staff understand what to do after identifying an ethical or unprecedented dilemma as well as who to speak to. The stakeholder perspective questions proved particularly popular in their exploration of the problem domain. So popular that it led to a fundamental change in how all decisions were made at ABC Pharma. More on this later.

The question of whether a generic training programme, implemented according to the recommendations set out in this enquiry, can sufficiently maintain decision quality in an organisation must still be measured. This will follow post Covid 19.

4. Can a simple decision process be effective?

Over 200 team leaders had asked to be trained in the guidelines *before* they were officially launched. Their popularity had spread by word of mouth and we heard again and again that they had become a tool to help teams have difficult conversations and structure their problem-solving efforts. Their power was in their simplicity which took decision makers on a fairly straight forward journey of working through the following:

- what does an ethical dilemma look like,
- what is expected of me when I'm faced with one,
- who can I talk to if I get stuck,
- how do I work through an issue and feel more confident in my solution?

Far more sophisticated codes of conduct and ethical guidelines exist but this inquiry has shown that they do not have to be complicated in order to be effectively used as a tool for discussion and problem solving. Of course, there is the danger of oversimplification which we addressed through creating layers of complexity in the Guidelines. This allowed senior decision makers dealing with more complex challenges to apply a more sophisticated framework to their exploration of the problem domain.

5. Should the ethical component of behavioural decision-making strategies receive more attention?

The guidelines were considered so effective in structuring decision conversations that when the organisation turned to their 2020 goal of *sustainability* it was identified as the tool that would help them not only make more ethical decisions but decisions that would promote organisational sustainability. They recognised that, whilst not every decision was an ethical dilemma, every decision had to consider its ethical impacts and so the name of the guidelines was changed from *the Ethical Decision Making (EDM) Guidelines* to *the Decision Dilemma Tool* and its use was advocated for every decision dilemma faced by decision makers in the organisation.

I found this development exciting as well as thought provoking. I had earlier recommended that an ethics code should be separate from the general code of conduct in an organisation, despite current literature advocating the opposite. This made me rethink that dichotomy not in terms of codes of conduct but rather in terms of decision making. Should a general decision framework, protocol or system have an ethical component? Should I rework my current 'vanilla' decision making framework to include ethical considerations? Both my pharmaceutical clients believe I should.

In early 2020 I built a decision-making framework with a focus on sustainability for a UK based pharmaceutical company. Ethical decision-making protocols are firmly embedded in this framework. They, along with ABC Pharma, argue that all decision making in an organisation impacts on the sustainability of that organisation. Sustainability is enhanced by exploring impacts of a decision on its stakeholders over different time periods. The latter surfaces business but also ethical risks that may arise over time as well as opportunities to go the ethical mile. They have chosen to introduce ethical decision-making protocols into all impactful decisions because it can be difficult to identify an ethical dilemma, because there are so many different laymen's definitions of what an ethical dilemma is and because dilemmas might only evolve over time. In short, if we aren't specifically looking for an ethical dilemma, we might not find it and that poses a risk to organisational sustainability.

Perhaps codes of ethics do not need to exist at all but rather decision-making frameworks that guide ethical decision making to support sustainability? This would further decouple ethics from the compliance function and would require further enquiry.

Conclusion and implications for further research

In addition to the above questions, this enquiry raised several questions for me that I wasn't able to answer and so would offer them as potential research topics to others.

- How do we define what is ethical today in organisations and across cultures and time?
- Is the word *ethical* possibly obsolete?
- Are traditional compliance departments effective in maintaining ethical standards or should this responsibility sit with leaders?
- How do other organisations build effective ethics codes that focus on behaviours not just rules? How should we measure their effectiveness?
- How can behavioural decision-making systems be built more quickly, perhaps with more generic decision protocols?
- What is the best way to measure behavioural systems?

Answers to these questions would be useful to the practice of behavioural ethics and organisational sustainability as well as the field of behavioural decision systems. The latter could also do with more original research that shows decision systems at work in different settings and at different scales. For example: this enquiry covered the creation of a large behavioural system, but I have also built decision systems for smaller teams with specific goals (using decision protocols). Whilst the decision systems are usually all a little different, I have found that the questions I ask to understand the client's needs and explore their decision-making style, organisational context and desired outcomes is increasingly similar.

Could it be that there is a set of basic questions that would support practitioners in building successful behavioural decision systems in different environments? I think this would make a really interesting, albeit fairly complex, piece of research.

The behavioural decision system built in this enquiry still needs to be assessed for effectiveness. Further agreement on how to measure decision quality would be helpful in this endeavour although researchers may find that the current lack of coherence here is justified due to the varied nature of decisions made and decision-making styles.

Honestly, I thought doing a doctorate would answer all my questions about decision making but as you can see it has raised more than I have answered.

Final thoughts

Finally, I would offer this enquiry to show what is possible. How powerful decision systems and protocols can be. How consultants and their clients can work together to build something like a decision system with the potential to positively impact every stakeholder in their value creation chain. How curiosity, reflection and reflexivity can enhance a client brief and outcomes and finally, in a world of fake news and pop psychology, how valuable a solid and reputable knowledge base is in the world of practice.

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Appendices

Appendix 1: Diagnostic workshop outline

The goal of the day is to explore the idea of introducing ethical decision-making tools at ABC. It is to hear views, needs and objections without planting ideas.

Part 1: Promoting divergent thinking

1. How ethical challenges are currently solved?

Imposing theory or an objective for the day will frame the thoughts and feelings of participants so we will start with real work scenarios where "choosing the right thing to do" is not always easy (i.e.: ethical dilemmas). In doing so, it is important that we are not looking for specific outcomes or pieces of information as this will lead to confirmation bias and anchoring and that makes for poor decisions and poor research that does not stand up to scrutiny. What we will be listening for are the values or principles underlying choices made.

To do:

- Participants will be divided up into groups that are as mixed as possible and presented with a dilemma that has no definitive answer.
- Facilitators will elicit feedback using some of the following as guides only: How did they view the challenge? Was it even a challenge? How did they create their choices? What benchmark did they call upon to judge their choices or decide if it was correct? What did they struggle with in doing so? Does this relate to any challenges they face? How do they use the current company guidelines to help them solve these?

2. How decisions are currently made?

This may lead into a discussion on how decisions are currently made at ABC and where conflicts in choices might occur. In addition to exploring the adoption of an ethical decision-making strategy, we should look for ideas that show that the current *system* can be improved by it without making it unwieldy or burdensome.

To do:

- Facilitators can ask the following questions: What is the current decision-making framework on the ground under conditions of uncertainty? Where do conflicts in judgement occur? Does the current corporate structure support or hinder effective decision making? (What is

effective decision making?) How could an ethical overlay detract from good decision making? How could it enhance decision making?

Part 2: Promoting convergent thinking

Facilitators to ask: What words do you associate with ethical decision making at ABC?

To do: Participants to record words on sticky notes and facilitators group them into words with similar meanings. Participants should be asked to decide on a collective 'definition' for each word group.

To do: If there is time, the following can be discussed at individual tables:

- What are the current ethical standards at ABC and how do they affect decision making?
- What could be appropriate values to guide ethics at ABC?
- Could/should ethical frameworks be specific for different departments faced with different corporate objectives/goals?

Appendix 2: ABC's Ethical Decision-Making Guidelines

What follows are the full Guidelines that were ultimately approved by the steering and executive committee:

Beginning of Guidelines

Ethical Decision-Making Guidelines

WHY IS ABC INTRODUCING ETHICAL DECISION-MAKING GUIDELINES?

ABC is a high-performing company, committed to create sustainable patient and company value in a complex and evolving environment. This relies on our ability to innovate and make courageous decisions that benefit our patients, our people, our company and society (hereafter referred to as Our Stakeholders). ABC's Ethical Decision-Making Guidelines promote ethical awareness in complex or ambiguous situations. These help us make thoughtful, justifiable and courageous choices that ensure we are trusted to make lives better, every day.

> **ABC's Ethical Decision-Making Guidelines promote ethical awareness in complex or ambiguous situations.**

Ethical Decision Making is positioned within ABC's Patient Value Model and the associated behavioural guidelines within the PVM Principles. Together they aim to help colleagues recognize an ethical dilemma and enhance ethical awareness when making decisions affecting Our Stakeholders. The Guidelines promote ethical behaviours that reflect ABC's values and professional standards.

WHAT IS AN ETHICAL DILEMMA?

Let's start with what is generally considered to be an ethical decision. It is one that is acceptable to a larger community based on its adherence to agreed or generally accepted moral standards of behaviour (Jones, 1991; Reynolds, 2006).

> **How can I recognize an ethical dilemma? What should I look for?**

ABC's Ethical Decision-Making Guidelines define our ethical standards by clarifying the decision-making behaviours and values that are acceptable to Our Stakeholders. **All** decisions made at ABC should reflect these ethical standards but not all decisions encompass moral, or ethical, dilemmas.

AT ABC A CHOICE BECOMES AN ETHICAL DILEMMA WHEN ONE RECOGNIZES DIFFERENT INTERESTS BETWEEN OUR STAKEHOLDERS OR THEIR RELATIONSHIPS, RESULTING IN POSITIVE CONSEQUENCES FOR SOME AND LESS POSITIVE, OR NEGATIVE CONSEQUENCES, FOR OTHERS. THESE CONSEQUENCES MIGHT ONLY MANIFEST OVER TIME.

2.1 HOW DO WE IDENTIFY AN ETHICAL DILEMMA?

WE JUST KNOW

When we are exposed to a decision, this new information is then assessed against previously learned patterns of information. This information contains what we already know about the situation and possible past experiences, emotions and other sensory information. This process of searching and matching is reflexive and preconscious and drives us into action.

> *We just know an ethical dilemma because we have experienced it before and we know what to do.*

If we have lots of experience in identifying and working with ethical dilemmas then we have a heightened ability to identify them based on previous mental experiences, outcomes etc. We just know. It must be remembered that the substance of ethical dilemmas are constantly evolving in response to our increasingly complex work environment, business tools, responsibilities and shifting social morals. Continuously evolving scenarios presented in any kind of ethics training will address this only to the extent that we can explore dilemmas of which we can currently conceive. We know what we know.

BUT WHAT IF WE DO NOT KNOW?

Failing the recognition of prototypes, certain characteristics of common ethical dilemmas can alert us to the potential of a moral dilemma inherent in our choices and thereby propel moral reasoning. This identification process is not reflexive and hence, not automatic but serves as a useful place to start in ethics training.

IDENTIFYING CHARACTERISTICS COMMONLY FOUND IN ETHICAL DILEMMAS
CHARACTERISTICS CAN BE ONE OF THE BELOW OR A COMBINATION.

- **Breach of a core value**
  Whilst ethical decisions are often complex almost all of them will breach a core value (of society, a company, a person etc.), a consequence that could be unintended and hence, not always readily identifiable if one is not specifically looking for it. Core values could include acting with integrity or empathy and embracing differences in perspectives or cultures.

- **Unequal impact on stakeholders or stakeholder relationships**
  An ethical dilemma is usually one in which several courses of action are possible. Either one stakeholder or multiple stakeholders will be affected. The relationships can be affected in the present or over time.

- **No Clear Choice (no perfectly equitable solution)**
  It is not clear what choice to make. All possible options cannot provide a satisfactory outcome to all those affected by the decision or actions taken.

THE CRUX OF AN ETHICAL DILEMMA

Figure 22 – Identifying an ethical dilemma at ABC

Breach of Core Value **+** *and/or* Unequal Impact **+** *and/or* No Clear Choice **=** Ethical Dilemma
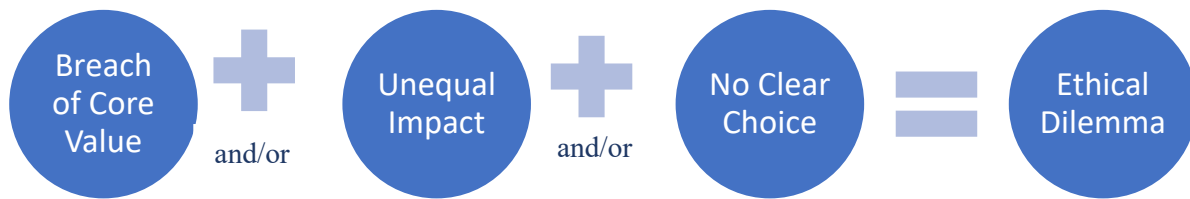
3. WHAT ARE ABC'S ETHICAL DECISION-MAKING GUIDELINES?

ABC's Ethical Decision-Making Guidelines are nested within ABC's Patient Value Model Principles and their ultimate aim – that of building trustful relationships - is reflected within ABC's Patient Value Model. They raise both a set of behaviours and questions that help uncover unequal benefits to Our Stakeholders arising from the consequences of decisions made over time.

3.1 POSITIONING WITHIN THE ABC PATIENT VALUE MODEL

Removed due to identifying information.

3.2 ETHICAL DECISION-MAKING BEHAVIOURS

I AM TRUSTED TO ACT WITH INTEGRITY, DECIDE WITH TRANSPARENCY AND CONSISTENTLY APPLY ABC'S PATIENT VALUE MODEL PRINCIPLES.

MY ROLE IN ETHICAL DECISION MAKING

I am trusted

An ethical company fosters trust. For patients to believe in our solutions, for society to have confidence in our actions we must build open and honest relationships that begin with sharing our weaknesses and mistakes, being vulnerable, giving help, asking questions, show appreciation, focus on issues not politics, and collaborating with each other.

- I accept the trust placed in me and foster trustful relationships between Our Stakeholders – me, patients, company, and society

> *Trust*
>
> *I am trusted because my intentions are clear and shared. Others can be open and honest with me and I will not exploit their vulnerabilities.*

I act with integrity:

s, morals and goals and how they impact my choices.

- I understand ABC's ethical decision-making guidelines and call out any conflict between my and ABC's values.

> *Integrity*
>
> *I constantly act in a transparent, authentic and ethical way.*

- Above all, I am honest with myself and others and speak up when I think that something potentially impacts the sustainability and reputation of our company.

I decide with transparency:

- I collaborate in my decision making by sharing my thoughts, process and influences with colleagues to gain clarity on my choices and test my decisions.

- I use the Stakeholder Perspective Questions to explore how the intended or unintended consequences of my decisions affect our Patients, our People, our Company and Society over time (Our Stakeholders).

- I help my colleagues make good choices; when they are vulnerable, they can trust me.

> *Transparency*
> *I share my thinking and intentions. I discuss the choices I face with colleagues and test the impact of my decisions before I decide.*

I consistently apply ABC's Patient focussed Principles to my choices:

Removed due to identifying information.

3.3 ABC'S STAKEHOLDER PERSPECTIVE QUESTIONS

Figure 23 – Essential stakeholders to consider in ethical dilemmas at ABC
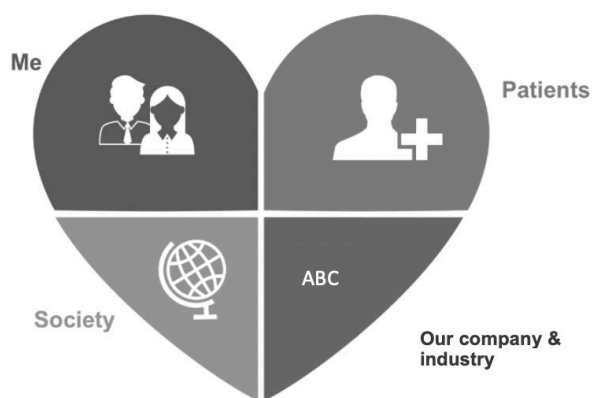
© ABC Pharma, 2019

Thinking about me

What problem am I solving?

- How am I affected (impacted) by my decision?

do they influence this decision?

- Can I imagine what the unintended consequences of my decision or actions will be?

- Can I show that my thinking is clear and that my options have been thoughtfully arrived at?

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Thinking about our patients

© T du Preez, 2020

- How will patients be affected by my choice now and in the future?

- Does this create value for our patients? How do I know this? What are the sources of my information?

- How will the results of my decision affect the patient relationship with ABC?

- Can patients trust me to make sound decisions on their behalf? (or: Can patients trust me to make decisions that impact their life?)

Thinking about ABC

- How will my decision impact or reflect on ABC?

- Does my decision reflect ABC's Values and improve patients' lives?

- Can I be trusted to make thoughtful decisions for Our Stakeholders?

    o Did I consult a colleague with experience in this area?

    o Did I consult a colleague who is not affected by this to provide an independent perspective?

    o Did I consult a colleague directly affected by my decision?

Thinking about Society

- Will some Stakeholders benefit more than others?

- Do I understand the consequences of this now and in the future?

- How will my decision affect the relationship between ABC and society?

- Can I justify these impacts with reference to ABC's Values and Patient Value Strategy Principles?

- Will my decision be good or bad for the reputation of the pharmaceutical industry?

Thinking over Time

- How might the future be different from the past?

- Have I considered the immediate and future consequences of my decisions?

3.4 POSITIONING WITHIN ABC'S PATIENT VALUE MODEL

Removed due to identifying information.

Appendix 3: Questionaire to inform the rollout of the Guidelines

QUESTIONS FOR NON - ETHICS AND COMPLIANCE STAFF

GDPR (General Data Protection Regulation)

INFORMED CONSENT DISCLAIMER THAT MUST BE COMMUNICATED TO ALL PARTICIPANTS

AND AGREED TO BEFORE PROCEEDING

Participation in this research is voluntary and all data is gathered anonymously as part of ABC's Ethical Decision Making Initiative and derivative projects. Please do not participate if you do not consent to this information being used anonymously by ABC and any appointed external parties. Nonparticipation will not count against you in any way. Your information will be anonymised and aggregated with other data. Should you wish to withdraw consent please contact me (your interviewer) within 48 hours and your data will be deleted. Should you have any questions, please contact xx@ABC.com

Questions to understand ethical decision-making awareness, perceptions of the role of Ethics and Compliance and levels of trust between them and the wider organisation:

Thinking about ethics, dilemmas and decision rights

1. What do you think is the difference between ethics and compliance at ABC, if any?
2. Have you faced an ethical dilemma at work in the last 6 months?

   2.1 If so: How did you know it was an ethical dilemma? *(Note to researcher: If they do not know then ask: How would you define an ethical dilemma?)*

   2.2 Did you seek assistance with your decision making from: a colleague | superior | trusted external advisor | Other sources – please explain briefly.

3. Do you feel empowered to make impactful decisions at ABC?
4. Would a set of guidelines to help you identify ethical dilemmas and work through them, be helpful to you?
5. Would the support of a trained ethical decision-making coach be helpful to you?

Thinking about trust in ethics and compliance

6. What is the current role of the Ethics and Compliance function at ABC?
7. Have you dealt with Ethics and Compliance in the past?

   Was your experience: Positive | Negative | Neutral?

   7.1 Can you briefly explain why?

   7.2 Did it meet your expectations of E&C?

8. Would you consider consulting an E&C colleague to advise on a new project from the beginning of the project? Why or why not?

9. What advice would you give to E&C to help them become trusted partners in your decision making?

10. Which description do you think best describes E&C colleagues at ABC?

    Compliance officers | ethics and compliance partners | ethics and compliance consultants

Language scale neg-pos

1 Neg/No/Never

2 Perhaps/sometimes

3 Neutral

4 Often/usually

5 Pos/Yes/Always

End of questionnaire.

Appendix 4: Proposed rollout strategy for the EDM Guidelines

	Chapter	Description	Method	Learning outcome and success factor
0	**Baseline measurement**	An electronic survey to a representative population of ABC employees to gauge current level of the *7 Success factors* of an ethics programme (Kaptein 2014): plus understanding of values, ethical dilemmas, ethical problem solving, openness to discussing ethical dilemmas, and congruency of leadership *.		
1	**Introduction**	A video introduction to the programme by the executive committee or senior leadership team members	An infographic style interview with different ABC leaders showing support for the programme, how they have already used the Guidelines in their decision making and what they hope to achieve with this initiative.	**Congruency.** Leadership setting the tone at the top.
2	**Creating awareness of ethics and values**	A short questionnaire to bring attention to ABC's values, the difference between a code of conduct and EDM and the role of EDM within the Patient Value Model. Offline activities to explore personal values and those of team members.	Interactive questionnaire within the learning platform with correct answers revealed. Values card packs distributed to learners with instructions on how to use them to uncover their own values and instructions to elicit values from 3 colleagues and input these back into the learning platform and chat forum and personal learning journal.	**Clarity and feasibility.** An understanding of the context of EDM, where it fits within the Patient Value Model and how it can be used. Values are fundamental to an ethical culture and so we start by raising awareness of personal and ABC's values.
3	**Introducing ethical behaviours at ABC**	Several behaviours accompany the EDM Guidelines and should be communicated.	The behaviours will be presented in short choose-your-own-adventure type videos where the learner chooses the appropriate behaviour from a selection. Explanations follow as to why this behaviour was chosen to support the EDM Guidelines. Videos are differentiated per function to ensure relatability.	**Clarity and supportability.** Creating clarity around the behaviours that support EDM and why they were chosen as a foundation to introducing the guidelines.
4	**Identifying an ethical dilemma**	Identifying an ethical dilemma is foundational to resolving them using the Guidelines.	Drawing on a library of actual dilemmas faced by ABC, learners will be asked to select which are true dilemmas, which are false dilemmas, and which create ethical opportunities for any of the stakeholders. Thoughts and challenges are shared in a team-based chat forum or with team leaders to ensure that learnings are socialised.	**Feasibility, transparency, supportability and discussability**. This section will draw learners' attention to the roadmap for identifying dilemmas and the library of dilemmas available to them.

	Chapter	Description	Method	Learning outcome and success factor
5	**Understanding perspectives**	This chapter introduces a worked example to bring the theory to life and allow for group discussion and reflection.	4-5 Videos explore an ethical dilemma through the perspective of each stakeholder Stakeholders represented will be customised based on the learner's function.	**Transparency, supportability and discussability**. Engaging learners in a visceral understanding of how ethical dilemmas occur through unequal impacts on stakeholders. The facilitated discussion by the team leader will also show how management engages in the discussion. This also allows learners to share their own experiences with EDM
6	**Group Work**	Once the perspectives have been viewed online learners will convene offline discussions with team members to discuss and, where possible, resolve the dilemma. Results and learnings are then fed back into the platform.	Following on from the above learners are then required to discuss their perspective on the dilemma and engage in a facilitated discussion to resolve it using the Guidelines.	
7	**Support for facilitating an EDM discussion**	Those who will be facilitating the discussions are provided with step-by-step information on how to do so.	Reading material provided.	
	Material support	All learners receive a detailed **workbook** to accompany their learning journey.	A journal-style notebook with information on the background to EDM, its context within ABC, ethical behaviours, and the Guidelines with place for reflection, notes and milestones to achieve. Also information of the EDM coach or L&D support available to assist the learner in their journey.	
	App	EDM App with regularly updated podcasts, EDM Library of Dilemmas Guest column and contact details of local EDM facilitator or coach.		To maintain momentum and ensure longevity of an ethical culture.