

Appendix A

The Case: George Williams in Thailand¹

George Williams owns an automotive parts supply company in Southfield, Michigan. For the past 10 years, he has grown the company, Williams Supply, from a small operation to one with over \$50 million in sales and 200 employees. His largest customer is General Motors, with approximately 60% of his sales. As one of a handful of new parts suppliers to GM, he prides himself on delivering outstanding value to his customers based on the highest standards of excellence.

Several U.S. automotive companies, including General Motors, are trying to expand their operations in Asia. In response to this, George has set up a parts distribution center in Thailand due to cheap labor, a highly skilled workforce, and central access to a shipping port. He has hired a local consultant, Mr. Sumardi, to help him set up his operations in Thailand. Sumardi is fluent in several Asian languages, none of which George speaks.

On arrival, George is struck by the workers sitting around and the virtually empty shelves in the warehouse. George comments, "Why am I paying these men to sit around and do nothing?" Sumardi replies, "I am sorry, Mr. Williams, but I did not have enough resources to get the parts moved from the docks." George is puzzled by his response and asks him to explain.

"The parts are at the dock," said Sumardi. He continues, "It is partly owned by the government and a private company, Sati Shipping." "OK, then let's talk to Sati and get my parts," replies George.

George and Sumardi go to Sati Shipping at the dock. Sumardi speaks to a man who is supervising the dockworkers. He then finishes and turns to George. "Mr. Chen says that they are very busy today and that they cannot get to your shipment unless you can pay him \$300. I did not have the resources to pay him before." George replies, "Tell him that I already paid his company \$10,000 to ship and deliver my parts!" Sumardi speaks to Mr. Chen and turns back to George. "I'm sorry, but the parts cannot be moved today."

While Sumardi speaks, George is considering his options. He has never failed before, and he is not planning to do so now. He wonders what General Motors would think because it has a policy of not paying bribes to foreign officials in compliance with the Foreign Corrupt Practices Act. Moreover, he takes pride in being a successful and principled businessman.

Appendix C

Individual Form 1

Individual opinion: "George Williams in Thailand" scenario

Name: _____

What advice would *you* give George Williams? Please give details.

How did you decide on this advice?

Is your advice correct? How will you know if the advice is correct?

Appendix D

Individual Form 2

Name: _____

Which ethical decision-making approach would you choose? Please circle your choice.

- Categorical Imperative
- Cultural Relativism
- Enlightened Self-Interest
- Legalism
- Light-of-Day
- Utilitarianism

Why did you choose this approach? Please explain.

Does your choice indicate paying the bribe? Please explain.

Appendix F

Ethical Decision-Making Approaches

Categorical imperative relies on absolute rules and universal laws that must be followed, regardless of the situation at hand. Their veracity unquestioned, these rules are assumed to govern everyone's behavior. This view was first attributed to German philosopher Immanuel Kant (1724–1804). Kant's categorical imperative requires individuals to make decisions based on rules that they want themselves and others to follow (Hunt, 1991). An example of using this strategy would be a salesperson's refusal to be dishonest with a customer because the Ten Commandments

advise "Thou shalt not bear false witness against thy neighbor" (Exodus 20:16), which is taken to apply absolutely to everyone in every circumstance.

Legalism bases ethical decisions on society's laws or policies (Kolb, Osland, & Rubin, 1995; Pegano, 1987). These laws form an objective standard by which decisions are evaluated. Thus if a decision is prohibited by law or policy, then it is unethical. Conversely, any decision not expressly prohibited is considered to be ethical. An example of using this strategy may be a U.S. citizen citing the Foreign Corrupt Practices Act to determine what is legal and therefore ethical to pay a foreign enterprise.

Cultural relativism determines what is ethical based on operating cultural norms, not on absolute truth (Herskovits, 1947, 1972; Nill & Shultz, 1997). Cultural norms are determined by social groups. This philosophy has its roots in social anthropology (Hollis & Lukes, 1982; Hunt, 1991) and is tied to the early work of Herskovits (1947, 1972). In studies of American colonists, cultural relativism is used to counter the ethnocentric views of the British (Hunt, 1991). This approach adapts ethical decision making to the current cultural milieu. On the basis of adapting to cultural differences, this approach advises that within reason, when in Rome, do as the Romans do. This mantra becomes a rule of thumb for guiding behavior. An example of this approach would be following another country's custom of paying a theater attendant to move one to the front of a queue ahead of other patrons who had waited longer.

Enlightened self-interest determines the costs and benefits to the decision maker. Some attribute this approach to Aristotle, though others note Aristotle's emphasis on prudence as the highest virtue, which would argue for the most reasoned decision. Modern philosophers who view logical reason and acting in one's own interest as the highest form of morality (Locke, 2002; Rand, 1982) modified this approach. They proposed that enlightened self-interest requires decision makers to analyze the facts logically, to determine the effects of alternatives and consequences on themselves, and to choose the option with the most favorable consequences for themselves. An example of this approach is padding an expense report because one needs money to buy food until the next payday.

Utilitarianism uses cost-benefit analyses to determine how various options impact others. Decision makers seek to optimize the number of people that would benefit from the decision at hand. However, to determine this, decision makers first determine which individuals or stakeholders are impacted by the decision. They then seek to maximize the happiness, welfare, or pleasure of those affected by the decision. Attributed to Jeremy Bentham (1748–1832) and later modified by John Stuart Mill (1806–1873), this approach is often based on seeking the greatest good for the greatest number (Hunt, 1991; Mallinger, 1997). An example of this approach would be terminating the most expensive employees to maximize shareholder wealth.

Light-of-day weighs costs and benefits according to the opinions of others. Using the light-of-day approach, the decision maker determines rightness by calculating the costs and benefits that occur if the decision becomes public knowledge—particularly to those whose opinions the decision maker values. Thus others' views matter most in determining whether the decision is ethically right or wrong. Popularly nicknamed "the newspaper standard" (Mallinger, 1997; Steiner & Steiner, 1985), the decision maker asks, "Would I make the decision if it were printed on the front page of the newspaper?" Public opinion thus dictates decisions. An example of this might be refusing to take a bribe out of concern that one would lose customers if they found out.
