

Some topics¹

Evaluation of decisions

Motivational conflicts and learning

Motives and motivation

Ethical behavior and individual development

What do we mean by ethics?

¹ Documentos procedentes del archivo de JAPL en el IESE

TOPIC: EVALUATION OF DECISIONS

ABSTRACT:

1.- Our model shows that a decision (the choice of a particular action by an active agent) may have three different sets of consequences which have to be taken into consideration (evaluated) at the time of making the decision:

- a) the interaction itself (diad action-reaction)
- b) learning achieved by the active agent
- c) learning achieved by the reactive agent

2.- We will call "*effectiveness*" the satisfaction achieved by the active agent due to the experience of the interaction. We will call "*efficiency*" the value of the learning produced by the decision in the active agent. Finally, we will call "*consistency*" the *value for the active agent* of the learning achieved by the reactive agent due to the experience of the interaction.

3.- For practical purposes (that is to say: in order to make easier the application of those criteria in organizational problems), the effectiveness of a decision is equivalent to its contribution to profits, the efficiency of the decision is equivalent to its contribution to the growth of the organizational skills for solving problems, the consistency of the decision is equivalent to its contribution to the growth of mutual trust among organizational members.

TOPIC: MOTIVATIONAL CONFLICTS AND LEARNING

sjd

ABSTRACT:

1.- Motivational conflicts may be of two different kinds:

intramotivational: They exist when the different actions have different value from the point of view of the *same kind of motives*. (for instance: a person who has to make a decision to select between two different jobs when his only criterion to make the choice is the money that he may get from them is confronting an intramotivational conflict).

intermotivational: They may exist when a decision maker evaluates the alternatives from the point of view of their contribution to achieve *different kinds of motives*. (for instance: when one of the jobs may produce more money than the other but it may be worse than the other from the point of view of what the decision maker may learn while performing it. The conflict would then happen between extrinsic and intrinsic motives).

2.- We will introduce the concept of *state of the motivational structure* of a decision maker to point out a quality of his internal state that determines his personal way of "weighting" the three different kinds of motives at the time of making his decisions. The state of motivational structures is modified due to learning processes taking place in decision makers while implementing decisions and discovering the actual results that follow the performance of actions.

3.- When those decisions made in order to achieve extrinsic motives are successful (that is to say: when they actually achieve those motives) they produce *operative learning* in the decision maker. That means that the *spontaneous motivation to apply the same action in similar circumstances will be greater than it was before the successful experiment*. If the action happens to be an inconsistent one (that is to say: when the interaction has decreased the spontaneous motivation of the reactive agent to apply the same reaction if the action is applied again), that learning of the active agent will be *negative learning*. It is easy to see that an action of those characteristics tends to destroy the organization that exists between both agents (if it is repeatedly applied, the interaction will become unfeasible because the reactive agent will not be motivated to perform the reaction in response to that action any longer; but, at the same time, the motivation of the active agent to perform that action is constantly growing due to its *success at the level of extrinsic motives*).

4.- *The motivational structure of an agent who is undergoing a process of negative learning is achieving a state of progressive incapacity to correctly evaluate transcendent motives at the time of making decisions.*

TOPIC: MOTIVES AND MOTIVATION

S/a

ABSTRACT:

1.- *Motive* is any kind of reality that may influence the satisfactions (both present and future as well) of an active agent. Motives can be classified into three different categories:

extrinsic (interactions)

intrinsic (internal states of the active agent)

transcendent (internal states of reactive agents).

2.- *Motivation* is the *internal force* that impulses an agent to perform an action. Any agent has a *potential energy* to act towards levels of satisfaction higher than the one that is presently felt. The internal mechanisms of the agent transform that potential energy into *actual motivation* to perform specific actions that may produce the achievement of higher levels of satisfaction. Therefore actions are applied to bring about specific interactions, internal states of the active agent and internal states of the reactive agent insofar those realities do determine the satisfactions of the active agent (actions are meant to achieve those motives that actually produce higher level of satisfactions). The *actual motivation* of an agent to perform any particular action is an aggregate of three different motivations: *the motivation to achieve some extrinsic motives, the motivation to achieve some intrinsic motives and the motivation to achieve some transcendent motives*. It goes without saying that an agent, while making the decision to apply an action, may be looking for just one of those consequences (i. e., the achievement of some extrinsic motives). But, of course, the other results (i. e., the production of changes at the level of intrinsic and transcendent motives) will also occur whether the agent may like it or not. Those results will be *unsought consequences* of the decision (and they will determine the *efficiency and consistency* of that decision).

3.- *Motivation* towards the performance of an action is explained by the "*a priori*" *evaluation* produced by the internal mechanisms of an agent about the *effectiveness efficiency and consistency* of that action (that is to say: it is explained by the "*a priori*" evaluation of the satisfaction that will be obtained when the action be actually performed). The minimum mechanism that an agent must have in order to produce "*a priori*" evaluations of an action is that that we usually call *memory*. A memory is a device that accumulates *records* of past experiences; those records can produce a more or less refined anticipation about what is going to happen if some particular action is performed in some particular circumstances. *The motivation which is automatically produced by the memory is what we will call spontaneous motivation.*

TOPIC: ETHICAL BEHAVIOR AND INDIVIDUAL DEVELOPMENT

ABSTRACT:

1) For the time being and as a *first step in our analysis*, we may say that "ethical behavior" is a kind of behavior having the property of fostering the development of *cooperative informal systems*. We are not assuming thereby that any action performed without organizational inducements (incentives) and which happens to foster informal cooperation is ethical. In other words, what we are saying is that the set of ethical actions is a subset of those individual actions (performed by a person) which are both:

- a) Useful for the organization (that is to say: they are cooperative).
- b) They are not motivated by any organizational incentive (that is to say: they belong in the informal system).

We will call this second set the *set or spontaneous-cooperative actions*.

2) All spontaneous-cooperative actions have a positive influence on organizational effectiveness (it is a tautology: look a) and b) above). The problem is that ethical actions are not only those that are spontaneous and cooperative but those that *at the same time contribute to the growth of mutual trust*. It may easily happen that a spontaneous cooperative action may be highly effective and may also be very negative from the point of view of trust (unethical). That is the case with those behaviors that are usually labelled as *opportunistic* (they show up very well in terms of immediate results while they are very dysfunctional in the long run because they destroy the very basis for continued cooperation).

3) In order to understand the process that explains how trust is generated, we have to analyze what is the meaning of *trust* in our model. We find that the concept may mean three different things:

- a) Being confident that the reactive agent has the ability to perform the required reaction (*trust in the competence* of that agent).
- b) Being confident that the action will motivate the performance of the desired reaction (*trust in my own power*).
- c) Being confident that *my own needs* will motivate the other agent to perform his reaction (*trust in the attitude of the other agent towards me*).

The meaning of trust that is contemplated in ethical analysis is the one identified in c) above. We will see that ethical behavior develops in a person the motivational qualities (*which have to be learnt*) whereby that person may be both a *person who can be trusted upon* and a *person who is able to trust other persons*.

TOPIC: WHAT DO WE MEAN BY ETHICS?

sf

ABSTRACT:

1.- Elementary analysis of decisions is based on a "model" assuming that the decision maker interacts with a given environment and makes his choices within a set of alternatives on the basis of two different guesses about future events:

- a) Expected outcomes following the performance of each alternative.
- b) Expected satisfaction for the decision maker produced by the outcomes.

2.- The limitations of such model to represent complex human decisions have become well known in recent years (see, for instance, the new models used in game theory, agency theory, economics of transaction costs,...). It has been frequently criticized in modern developments of organizational theory as well.

3.- The simplest generalization of that model is the one used in agency theory or game theory. It represents decision making processes as sequences of decisions made by an active agent choosing an action in order to produce a particular reaction from another decision maker (reactive agent).

4.- When it is introduced in the model the possibility of learning for both agents, it is found that:

- a) Satisfaction of the decision maker have to be related both to particular interactions and the organizational state.
- b) The organizational state determines the set of feasible interactions.
- c) The internal state of both agents determines the organizational state.
- d) Learning of the agents produces changes in their internal states and as a consequence the organizational state changes as well.

5.- Phenomena taking place as interactions define the field of economic phenomena. Those taking place as organizational states define the field of sociological phenomena. Realities within the internal state of the agent define the fields of psychology (operative learning) and ethics (evaluative learning).