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Forcing choice may hamper decision-making, study finds

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Constraining choice isn't necessarily a good thing when it comes to managers' problem-solving, according to a new Canadian study.

Managers tend to pick higher-risk options when forced to choose between competing alternatives to complex situations, according to researchers from the University of Guelph and University of Waterloo whose study was published recently in the Journal of Business Ethics.

But when they're not forced to choose, managers tend to reflect more and solve problems with fewer negative consequences, says the study.

"One of the most powerful tools to combat high-risk or unethical decision-making may simply be offering managers the option not to choose," said Theodore Noseworthy, a professor in Guelph's Department of Marketing and Consumer Studies. He conducted the study with colleague Prof. Scott Colwell and lead author Prof. Michael O. Wood of Waterloo's School of Environment, Enterprise and Development.

The research also underscores how psychological mechanisms can affect judgment and problem-solving, he added.

The researchers explored what influences decision-making and problem-solving in two separate studies.

In the first study, which involved 80 experienced managers, business leaders were more likely to take risks that could lead to unethical consequences when they felt psychologically distanced from the stakeholders. That meant their decision would take effect in the distant future or would affect a different social group.

Many managers were unaware of those potential outcomes. "Increased psychological distance can lead to managers overlooking the ethical consequences of an outcome," Noseworthy said.

A second study of 192 different managers also asked people to make decisions under "high" and "low" psychological distance. But participants were either forced to choose between competing solutions or given the option to reject both alternatives.

Once again, the majority opted for the higher-risk choice when they were more psychologically removed from the situation. However, when given the option not to choose, managers didn't exercise this option. Instead, they spent more time reflecting and opted for the less risky solution.

"Where this gets interesting is why this happens," Noseworthy said. "Managers were more likely to see the potential ethical consequences of their actions when they are given the option not to choose."

This study is one of the first to demonstrate that the rise in what Noseworthy refers to as "seemingly unethical decisions" may have more to do with an expanding global economy that increases the psychological distance between the decision-maker and those affected by the decision.

Provided by University of Guelph