



Asking “*What Else?*” to identify unintended negative consequences



Kathleen M. Wilburn^{*}, H. Ralph Wilburn

St. Edward's University, 3001 S. Congress Avenue, Austin, TX 78704, U.S.A.

KEYWORDS

Unintended negative consequences;
Decision making;
Scenario thinking;
Stakeholder theory;
Corporate social responsibility

Abstract With the advent of big data, the Internet of Things, cognitive computing, and social media, it is becoming more difficult to argue that one could not have known or at least have considered more alternatives, particularly negative unintended consequences that happen in addition to the intended positive ones. Organizations too often make a decision that will produce a positive consequence and then focus on how to implement it, rarely stepping back to ask “*What else* could happen?” Any decision changes the system in which it exists. The longer the time required to implement a decision, the more systemic changes can alter the effects of the decision on the system. Decisions to implement Corporate Social Responsibility and sustainability initiatives usually involve many different stakeholders and may involve systems in which organizations have little expertise or experience. A major negative unintended consequence, even for a CSR initiative, can damage the stakeholders’ trust in the organization. This article proposes a 5-step process to answer the question “*What else* could happen?” in order to identify possible unintended negative consequences, thereby helping organizations support their commitment to people, planet, and profit.

© 2015 Kelley School of Business, Indiana University. Published by Elsevier Inc. All rights reserved.

1. Introduction

The idea that decisions are only bad in hindsight highlights the fact that decisions, both personal and business, are made based on the available information the decision maker chooses to consider. A decision’s worth must be based on what was known when it was made versus what is known now. A bad decision may be the result of important information

not being available or the decision maker thinking it was not relevant. However, with the advent of big data, cognitive computing, and social media, it is more difficult to argue that one could not have known or at least have considered more alternatives. Additionally, as businesses adopt corporate social responsibility (CSR) and sustainability initiatives in the global community, they make decisions that have not been part of their strategic thinking and thus require more and different information. In this article, we consider ways to reduce the amount of unintended negative consequences—results that happen in addition to the intended positive ones.

^{*} Corresponding author

E-mail addresses: kathleew@stedwards.edu (K.M. Wilburn), ralphw@stedwards.edu (H.R. Wilburn)

Asking “*What else* could happen?” after making a strategic decision can allow an organization a way to pause before jumping straight to implementing the decision.

This article proposes a 5-step *What Else?* process to identify possible unintended consequences of strategic decisions. This begins with ensuring the intended positive consequence of a decision is aligned with the organization’s purpose and strategic vision, which is particularly important when considering decisions about starting social or environmental initiatives. Next, the organization must identify the major stakeholders involved with implementing the decision, and then describe the system in which the decision exists and how that decision might change the system in both the short and long term. This is especially necessary in the global business space. In the fourth step, decision makers should use scenarios to propose possible consequences other than the chosen positive one. Scenarios then identify the data to track to verify the increasing or decreasing probability of the identified possible unintended consequences occurring. An increasing probability of negative consequences could lead to halting or altering the implementation of the decision or to developing a mitigation strategy to minimize possible harm to stakeholders. If stakeholders have identified possible negative unintended consequences, an organization can increase stakeholder trust by considering them; in fact, it may find that stakeholders can accept the possibility of negative unintended consequences if the organization is committed to tracking the increasing or decreasing probability of their occurrence. Finally, an organization should implement a system for tracking the trends that indicate an increased or decreased probability of identified negative consequences; this allows space to develop strategies to prevent them or mitigate their effects. Using such a model demonstrates a commitment to people, planet, and profit, which can counter criticism on social media. This article will provide examples of negative unintended consequences that were the result of decisions made to achieve positive results, and how asking *What Else?* could have prevented them, or at least mitigated their severity.

2. Unintended consequences

Any action changes the system in which it exists, and the longer the time required to implement an action, the more those changes in the system can alter the effects of that action on the system. Merton (1936) defined unintended consequences as outcomes that are not the ones intended by a

purposeful action and noted that the longer it takes to implement an action, the greater the possibility that unintended consequences happen by chance. Both Merton (1936) and Dörner (1996) said that the key reasons people do not think about unintended consequences stem from acting out of habit and assuming that the future will look like the present and the past. Merton (1936) also recognized that there can be emotional attachment to certain actions and decisions, which may prevent the decision maker from conducting due diligence in gathering information.

Merton (1936) suggested that consequences cannot be assigned to the realm of ignorance if knowledge could have been obtained and was not. Thus, “How was I supposed to know?” is only valid if there is proof that the consequence was in no way knowable even as the implementation of the decision unfolded. In the 21st century, this will become more difficult to prove as access to big data and the Internet of Things becomes commonplace. By utilizing sources of data like RFID tags and video cameras, “advanced analytics software programs find patterns in large sets of data and extract meaning from them” (Kelly & Hamm, 2013, p. 47), providing instant information. It will become increasingly easier to use artificial intelligence to ask “*What else* could happen?” This narrows the bounded rationality model of Simon (1982) that proposed limited and/or unreliable information about possible alternative consequences and a limited capacity of humans to evaluate and process available information are constraints on decision making.

Decisions may still be made quickly and the reliability of information may still need to be verified, but information is no longer limited and humans have help in processing and evaluating information. An example of the verification issue happened with Google Flu Trends. In 2009, Google was successful in identifying the spread of the H1N1 flu virus early. “Google’s method does not involve distributing mouth swabs or contacting physicians’ offices. Instead, it is built on ‘big data’—the ability of society to harness information in novel ways to produce useful insights or goods and services of significant value” (Mayer-Schönberger & Cukier, 2014, p. 2). However, in 2012, the algorithms did not take into account that news outlets had predicted a severe flu season and Web users asked questions for information when they did not have symptoms; thus, Google’s predictions were too high. Still, as the Internet of Things allows algorithms to make associations, it will be easier to have access to accurate information with which to think about the future. “It’s a step up from correlation toward knowledge. Prime examples here are computer systems that can

Download English Version:

<https://daneshyari.com/en/article/1013924>

Download Persian Version:

<https://daneshyari.com/article/1013924>

[Daneshyari.com](https://daneshyari.com)