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ETHICAL DECISON-MAKING
MODELS

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ETHICAL DECISION-MAKING MODELS

Abstract

This paper surveys the dominant models in the literature of *positive Ethical Decision-Making Models* (hereafter, EDMMs): an area in the academic sub-discipline of business ethics. While this group of eight models is not exhaustive, it is, I believe, definitive.

The survey does not address *other* decision-making apparati, e.g., game theory. Neither does it address *normative* Ethical Decision-Making Models, which constitute a separate and distinct literature.

EDMM theory rests upon various and sundry foundational bases: e.g., Sutherland & Cressey's *social learning theory; normative ethics,* especially deontology and teleology; Kohlberg's *model of cognitive moral development;* Fishbein & Ajzen's theory of reasoned action, and; Rest's four-*component model of moral behavior.* Consequently, the literature is eclectic. Nevertheless, each model purports to formalize the decisional processes by which an agent arrives at an ethical, or unethical, course of action.

The methodology of this survey will be to: 1) present a synopsis and graphical depiction of each model; 2) critique each one individually; 3) summarize features and criticisms of each model, and; 4) conclude with global observations about EDMMs. By way of anticipation, the literature is of one mind with respect to certain core assumptions, e.g., that: decision makers don't change in any appreciable, personal way through decision making, and; the ethically relevant aspect of decision making is an agent's ensuing outward action, or the external consequences of his action. With these, and other, assumptions, I am in disagreement.

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I. Introduction

My interest in the topic of "ethical decision-making models" began with my acquaintance with Juan Antonio Pérez-López. Though he never referred to his anthropological model of human decision making in organizations by that term (1991, 1993), his model's core emphasis on the development of "rationality" and "virtuality" made such reference inevitable. For Pérez-López, these "moral virtues" help the decision maker to operationalize his freedom, and are "learned": i.e., acquired or lost by decisional experiences, depending on the motivational quality of the decision maker. This model views the human decision maker as a "freely adaptive" system: i.e., one who can learn either "positively" or "negatively." Generally, a model is "dynamic" if its implicit or explicit presuppositions about human decision makers (and, consequently, decision making) capture the possibility of both positive and negative learning, while it is "static" if it does not (1). By virtue of its lack of several key variables, a static model will never adequately apprehend the human (and, consequently, organizational) "reality" it seeks to capture for explanatory and predictive purposes.

My interest in ethical decision-making models was further stimulated by Andrew Stark's bombshell in the *Harvard Business Review:* "What's the Matter with Business Ethics?" (1993). The article's central contention is that business ethics has become irrelevant to managers for its neglect of two pressing ethical concerns: 1) "identifying ethical courses of action in difficult gray-area situations," i.e., "conflicts of right versus right" (p. 39) and; 2) "navigating those situations where the right course is clear, but real-world competitive and institutional pressures lead even well-intentioned managers astray" (p. 39). To someone familiar with the basic outlines of classical ethics, Stark issues a summons for a model of ethical decision making that will impart the virtues of prudence and fortitude. The connection to rationality and virtuality is evident, as is the possibility that Pérez-López might have constructed precisely what Stark claims that any business practitioner, and business ethics, needs.

Upon reflection, such a model could have helped me to flourish, personally, in my professional career as a stockbroker (1979-1988) as it can the numerous professionals who work in the brokerage industry today. The general application of ethical decision-making technology to action might even stem the steady flow of ethics scandals that deluge the

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(1) A third description, "ultrastable," applies to models that acknowledge only the possibility of positive learning: e.g., trial-and-error approaches.

financial community. Ethical lapses on Wall Street throughout the 1980s provided decisive impetus for the institutionalization of business ethics in the professional management curriculum: a movement symbolized by John Shad's--the former Chairman of the Securities and Exchange Commission's--donation of $30 million to the Harvard Business School for its study. Writers frequently attribute the scandalous behavior among investment professionals to vicious (that is, vice-filled) character (Magnet, 1986), and the era of the 1980s itself is now commonly referred to as the "decade of greed": i.e., the decade of capital vice. Personal testimonies of convicted Wall Street traders reveal the centrality of motivation and prior decision making to their ethical lapses (Levine, 1990), and their behavior subsequent to release from prison betrays the difficulty of changing stable and fixed habits (Bianco, 1991). From all the foregoing, the practical value of, and need for, ethical decision-making models seems evident.

My research interest in the topic was animated by Neil Herndon's article in the *Journal of Business Ethics* entitled: "A New Context for Ethics Education Objectives in a College of Business: Ethical Decision-Making Models" (1996). It alerted me to the existence of a developed academic literature on the subject of ethical decision-making models. Further research revealed that: 1) a preponderance of the models relate to marketing ethics, and; 2) repeated reference is made to some combination of eight select, different models. While this group of eight models is not exhaustive, it is, I believe, definitive. Those eight models are described and illustrated chronologically in this paper. By way of anticipation, the models all prove to be static: i.e., grounded upon anthropologies lacking the crucial aspect of free adaptability. Therefore, though they provide a great deal of insight into the topic of ethical decision making, they cannot fully apprehend the human and organizational reality they seek to capture for explanatory and predictive purposes.

The methodology I will follow is to: 1) present a synopsis and graphical depiction of each model; 2) critique each one individually; 3) summarize my criticisms at the end of each section, and; 4) conclude my paper with global observations about the literature.

II. Ferrell & Gresham's Contingency Framework for Understanding Ethical Decision Making in Marketing

Ferrell & Gresham propose an integrated framework "which clarifies and synthesizes the multiple variables that explain how marketers make ethical/unethical decisions" (p. 87). The authors believe that while it directly addresses marketing professionals, "the model described is equally applicable to other functional areas of the organization, such as accounting, management, etc." (p. 88). Since many of the ethical decision-making models arise in the field of marketing, this avowal will reappear throughout my paper. The claim is unobjectionable as, generally, the influence of the functional area in which a model originates is limited to the types of ethical problems considered capable of triggering the model's mechanisms. Thus, for example, a question of whether or not to offer bribes would initiate the process of ethical decision making in a marketing-situated model, whereas the issue of whether to falsify records would initiate the process in an accounting-situated model. This dependence upon recognition of an ethical problem highlights a uniform (1)--and erroneous, I think-- presumption in the literature: that specifically

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(1) The sole exception to this rule is Dubinsky & Loken's model.

designated "ethical issues" are the only ones of interest to ethical decision making. Regardless, the posited decision-making mechanism is unaffected by this presumption.

Ferrell & Gresham's emphasis throughout is on describing (description) how marketers will make decisions that engage them in ethical/unethical (hereafter, un/ethical) behavior. No consideration is given to how to help marketers make ethical decisions (prescription). In fact, all consideration of what those might be is scrupulously avoided. Rather, **the stated, sole purpose of Ferrell & Gresham's model is to identify variables that can be operated on in order to prevent exogenously defined unethical behavior.** This raises two issues. The first is that, to the extent that ethics is about more than just the avoidance of "bad" behavior, Ferrell & Gresham's model (along with all of the other positive models of ethical decision making considered here) fails to address relevant aspects of the subject. The second is that the purpose of this model (and of all the others) is to instrumentalize human behavior. These two issues will be encountered, and commented upon, throughout this paper.

A. Introduction

The authors contend that "ethical standards are constantly changing and that they vary from one situation/organization to another" (p. 88). That being the case, they seek to avoid addressing the "content" of behavior and instead focus on its "process" –namely, decision making– and on the "determinants" of decision-making behavior. They propose to examine the "contexts" in which decision making occurs and the "causal variables" of decision-making behavior. The foregoing indicates that Ferrell & Gresham are willing to live, at least scientifically speaking, with any ethical standard and the content it embodies. They claim to be merely concerned "with the *determinants* of behavior which is ultimately defined as ethical/unethical by participants and observers" (p. 88). Whatever purpose, or end, is proposed, their model purports to indicate the means whereby decisions and behavior are arrived at. Theirs –like all of the models that follow– is an attempt to distinguish decisions that lead to the selection of goals (purposes) from those that involve the implementation of such goals (processes) in order to formulate what might be called value-free, or non-judgmental, methodology. Thus, their model embraces the fact-value, or is-ought distinction.

To this end they propose a "multistage contingency model of the variables that impact on ethical decisions in an organizational environment." The authors intend this contingency approach to individual decision making to signify that wide variations in ethical decision making are observable, though not random. In sketch, the authors' "contingency framework" posits that un/ethical decisions are moderated by *individual factors* and *organizational factors,* with the latter including *significant others* and *opportunity* for action.

**Figure 1: A Contingency Model of Ethical Decision Making in a Marketing Organization
(Ferrell & Gresham)**
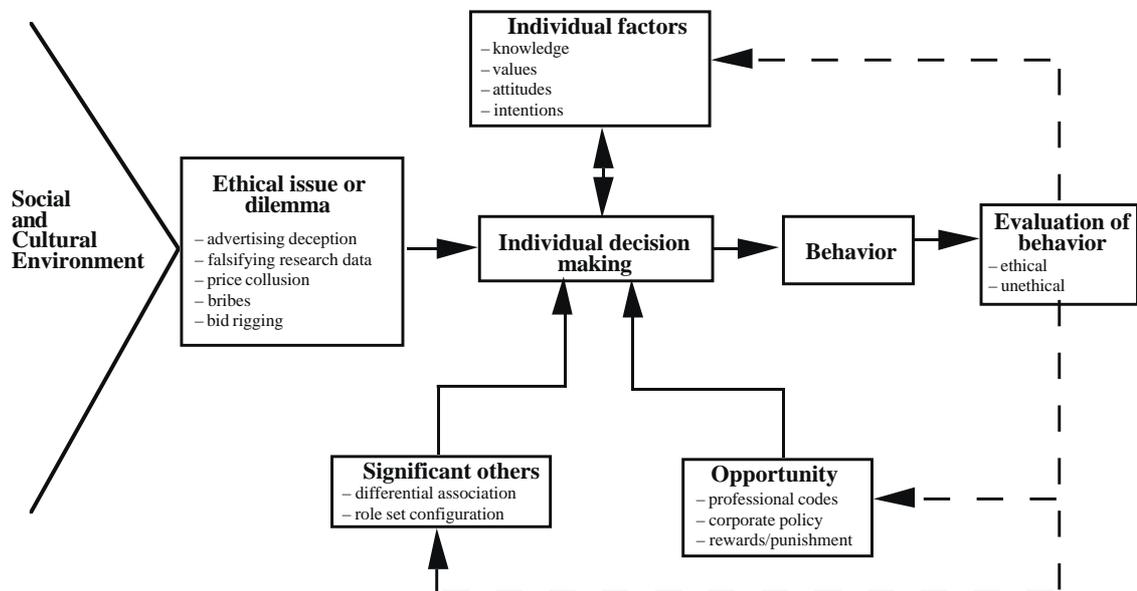
Source: Adapted from Ferrell, O.C. & Gresham, L. (1985) A Contingency Framework for Understanding
Ethical Decision Making in Marketing. *Journal of Marketing,* 49 (Summer), 89.

B. Definitions and Approach

Ferrell & Gresham presume marketers to discover themselves in "situations" that are
right or wrong, ethical or unethical. An example might be a situation which presented a
marketer with an opportunity to offer a bribe in order to secure a sale. Similar unethical
situations are fairly common, according to the authors, as marketers' opportunity to deviate
from ethical behavior is enhanced by their "boundary spanning" role: that is, marketers "link
the task environment to the organization by defining consumer needs and satisfaction" (p. 88).
It is also believed that those parts of an organization most exposed to the environment will be
most exposed to pressure to deviate from the organization's norms (Osborn & Hunt, 1974).

"The variables in the model can be categorized into individual and organizational
contingencies" (p. 88): factors that distinguish between the "contexts" in which decisions are
made. These contingencies are proposed to be interdependent variables that causally effect
the dependent variable: un/ethical marketing behavior. One might expect the term
"contingency" (i.e., something, or the quality of being, dependent upon chance or uncertain
conditions) to refer to the behavior they seek to explain: as if to say that ethical or unethical
behavior is contingent upon various factors, or variables. Rather, the foregoing demonstrates
that the ***contingencies*** in their model are themselves the ***variables,*** or ***factors,*** they posit in
order to explain behavior (contingency = variable = factor): which is to say that behavior is
dependent upon contingent factors/variables, or "contingencies." Thus, the words
"contingency," "variable" and "factor" are used interchangeably, and refer to the causal
determinants of behavior, not the behavior itself.

Individual variables are understood to consist of: 1) personal "background"; and 2) "socialization characteristics," such as educational and business experiences. Organizational characteristics consist of: 1) the effects of organizations external to the employing organization (e.g., customers, other firms); and 2) intraorganizational influences (e.g., peers and supervisors). Conspicuously absent is an underlying, unified anthropology: the constitutive make-up of the decision maker who has a background and is socialized and influenced by organizational characteristics. This omission generally marks the literature of ethical decision-making models, though, as we shall see, it is partially addressed in subsequent theories by a psycho-sociologically conceived focus on cognition.

The individual and organizational contingencies are considered to be exterior to the decision-making process, which, from Ferrell & Gresham's diagram, appears to consist of the following sequence: 1) recognition of an *ethical issue or dilemma:* for example, ***advertising deception, falsifying research data, price collusion, bribes*** and ***bid rigging;*** 2) *individual decision making,* which is subject to the influence of external contingencies; 3) *behavior,* which in this context refers to external acts that are the subject of moral evaluation; and 4) the *evaluation of behavior* as ethical or ***unethical***--a component which feeds back to the various external contingencies.

Specific *individual factors,* comprising the individual's "cognitive structure," are ***knowledge, values, attitudes*** and ***intentions.*** These interact with specific organizational factors, including: 1) *significant others*--defined by ***differential association*** and ***role set configuration;*** and 2) *opportunity factors,* which are constrained by ***professional codes, corporate policy*** and ***rewards & punishment.*** One final note: societal and environmental criteria are considered to lie outside of the model, and hence are not conceptualized.

1. Individual Factors

The authors state outright that "normative ethical standards," derived from moral philosophy, guide marketers' development of ethical guidelines and rules. It has been demonstrated that cultural and group norms/values directly influence individual decision-making processes (Engel & Blackwell, 1982; Fishbein & Ajzen, 1975). Following the standard treatment of moral philosophy in business-ethics literature, the authors then distinguish between "teleological" and "deontological" approaches to normative reasoning.

According to the authors, the teleological approach "deals with the moral worth of behavior determined totally by the consequences of the behavior" (p. 89). Teleology corresponds to research which indicates that marketers' ethical decision making is tied into meeting company performance objectives (Sherwin, 1983). "Utilitarianism," a dominant variety of teleological ethics, similarly maintains that a decision's morality is established by its consequences, not its motive (Velasquez, 1982). According to utilitarianism, "the act is ethical only if the sum total of utilities produced by the act is greater than the sum total of utilities produced by any other act" (p. 89). In this moral philosophy, the concept of utility is determinative, necessitating that value be measured and compared.

Conversely, the deontological approach to ethics stresses the methods or intentions involved in *behavior.* Deontology's focus on intention "is consistent with marketing theories of consumer choice (Engel & Blackwell, 1982; Howard, 1977), which specify behavioral intentions as a cognitive precedent of choice behavior" (p. 89). The authors highlight two deontological principles, namely "rights" and "justice." The ***rights principle*** specifies that

behavior must embody minimum levels of satisfaction and standards, regardless of its outcomes. Ferrell & Gresham maintain that this principle is based on Kant's "categorical imperative," which incorporates criteria of "universality" (i.e., actions must be based on reasons that all could agree on) and "reversibility" (i.e., one's reasons for action could be used by others with respect to choices concerning him). The *justice principle,* which is composed of various parts, seeks to protect everyone's interests. "Distributive justice" specifies that equals should be treated equally, and unequals treated unequally. "Retributive justice" deals with blame and punishment, and requires that for an act to be blameworthy, it must be based on the decision maker's free choice with knowledge of its consequences. Moreover, punishment must be proportional to the wrongdoing, or, in other words, must fit the crime. "Compensatory justice" attends to the compensation due a wronged party, which should restore him to his original position.

Ferrell & Gresham stress that the standards derived from these moral philosophies "judge the act itself, the actor's intentions, **or** the consequences" (p. 90; emphasis added). At first glance, these objects of moral evaluation appear similar to the classical sources of a human act's morality. However, having defined teleology and deontology in mutually exclusive terms--i.e., teleology assesses morality on the basis of consequences, whereas deontology assesses it on the basis of methods, or intentions--no standard derived from these contrary principles can judge **both** consequences and intentions. It follows that neither could such a standard include **all three** sources of an act's morality: object (the act itself), end (the actor's intention) and circumstances (which include consequences). Therefore, despite similarities, the authors do not contemplate a comprehensive standard for assessing the morality of a human act, as does classical theory.

Separately, it is peculiar that the authors elaborate upon the influence of moral philosophies on an individual's assumptions without specifically conceptualizing them as *individual factors* in their model. In fact, they merely conclude their discussion of this section by noting: 1) the effect on ethical decision making of "beliefs" (presumably referring to moral philosophy), via their effect on *attitude* and *intention*; and 2) that *intention* is affected by cognitive factors resulting from both socialization and culture. Perhaps recognizing this peculiarity, Ferrell & Gresham later synthesize their model (Ferrell, Gresham & Fraedrich, 1989) with another, Hunt & Vitell's (1986), which conceptualizes moral-philosophy variables.

2. Organizational Factors

Proposing that ethics is more than simply a matter of normative evaluation, Ferrell & Gresham maintain that it is also a series of perceptions regarding how to act in terms of daily issues. Internal organizational pressures to perform and produce profit appear to be a major predictor of un/ethical behavior (Laczniak, 1983a).

a. Significant Others

According to Ferrell & Gresham, individuals learn *values*, *attitudes* and norms from "others who are members of disparate social groups, each bearing distinct norms, values, and attitudes" (p. 90). This leads them to posit two critical organizational factors: *differential association* theory, and *role-set configuration.*

Differential association theory proposes that un/ethical *behavior* "is learned in the process of interacting with persons who are part of intimate personal groups or role sets" (p. 90) (Sutherland & Cressey, 1970). In the terminology of *differential association,* a person ("referent other") close to you is **less** differentiated than a person in another organization, who is **more** differentiated.

Ferrell & Gresham aver that associations containing people who act unethically, coupled with an *opportunity* to do likewise, are major predictors of unethical *behavior:* a proposition consistent with empirical findings. For instance, Zey-Ferrell, Weaver & Ferrell (1979) found that the combination of **differential association** with peers and *opportunity* was a better predictor of ethical behavior than were a marketing manager's expressed ethical beliefs. In contradistinction to DeFleur & Quinncy's (1966) reformulation of Sutherland's **differential association** model--which specifies that internalization of group norms is a necessary second step in the development of deviant *behavior*--Zey-Ferrell et al. concluded that peer pressure, rather than internalization of group norms, sufficed to influence behavior. This latter finding is bolstered by research concerning other observed inconsistencies between values and *behavior* (Newstrom & Ruch, 1975). Finally, abundant research confirms that superiors have a marked impact on the ethics of subordinates (Baumhart, 1961; Brenner & Molander, 1977; Carroll, 1975).

Differential association requires the identification of "referent others" who influence the decision maker. This is accomplished by establishing the decision maker's *role-set configuration.* "A role set refers to the complement of role relationships which focal persons [decision makers] have by virtue of their social status in an organization" (Ferrell & Gresham, p. 91; Merton, 1957). "A role-set configuration is defined as the mixture of characteristics of referent others who form the role set, and may include their location and authority, as well as their perceived beliefs and behaviors" (Ferrell & Gresham, p. 91). *Role set* characteristics, such as "organizational distance" and "relative authority," provide clues for predicting the decision maker's *behavior* (Merton, 1957; Miles, 1977).

Ferrell & Gresham define "organizational distance" as "the number of distinct intra- and interorganizational boundaries that separate the focal person and the referent other" (p. 91). They speculate that the **more** differentiated a referent other is (i.e., the greater the distance between him and the focal person), the **less** likely he will be to influence the focal person's un/ethical behavior.

"Relative authority" measures "the amount of legitimate authority referent others have, relative to the focal person, on issues requiring contact between them" (p. 91). The authors anticipate that top management would have more influence on a focal person's un/ethical behavior than would peer groups, but note that empirical results conflict on the matter. Supporting the proposition is the finding that the "behavior of superiors" has been perceived by survey respondents to be the #1 factor influencing un/ethical decisions (Baumhart, 1961; Brenner & Molander, 1977). Similar results have also been verified by Newstrom & Ruch (1975) and Hunt, Chonko & Wilcox (1984). Moreover, it is generally assumed in management literature that upper management sets the organization's ethical tone (Dubinsky, Berkowitz & Rudelius, 1980; Laczniak, 1983a; Murphy & Laczniak, 1981). Contrary to the relative-authority hypothesis is a finding by Zey-Ferrell & Ferrell (1982). In that study, ad agency executives reported responding more to peer pressure than to top management, indicating to the authors that "frequency of contact" with referent others is a better predictor of un/ethical *behavior* than is relative authority.

A comment is in order on this point regarding upper management's influence on an organization's ethical tone. When acknowledged, this phenomenon is assumed to result from "the amount of pressure [top management] can exert on the focal person to conform to [its] role expectations" (Ferrell & Gresham, p. 91; Kahn et al. 1964). Ferrell & Gresham's hypothesis links coercive power to ethical *behavior,* which: 1) results from their identification of ethics as mere compliance with proposed standards; 2) overlooks the importance of motivations other than extrinsic ones; and 3) ignores the influence on subordinates' *behavior* of exemplarity (Pérez-López, 1993) by top management. The notion that top management might profoundly influence the ethical tone of an organization by setting a positive example, as well as by "restricting the range of behavior available to the focal person" (Ferrell & Gresham, p. 91), appears irrelevant, if not alien, to Ferrell & Gresham's discussion of top management's tone-setting role. This is one concrete way in which a cramped definition of ethics as avoiding-the-bad blinds researchers to the importance of doing good for an organization's ethical climate. Moreover, since "the person" tends to be subordinated to "compliance" in the avoidance-of-evil viewpoint of ethics, the fact that one cannot **make** people be ethical (because ethics requires the engagement of human **freedom**) is lost on the authors.

b. Opportunity

Opportunity, according to Ferrell & Gresham, "results from a favorable set of conditions to limit barriers or provide rewards" (p. 92). It is generally thought to arise from the presence of "rewards" and/or the absence of "punishment." The authors distinguish between "external" rewards (e.g., social approval, status, esteem) and "internal" rewards (e.g., feelings of goodness and worth), and remark that deontological frameworks for marketing ethics focus more on internal rewards, while teleological frameworks emphasize external ones.

As noted previously, Zey-Ferrell & Ferrell (1982) found *opportunity* for un/ethical *behavior* to be a better predictor of behavior than either personal or peer beliefs. On this basis, Ferrell & Gresham conclude that "*professional codes* of ethics and *corporate policy* [including their enforcement] are moderating variables in controlling *opportunity*" (emphases added). Their reasoning underscores the purpose for which their model is (and positive models generally are) meant. The hypothesis sequence follows: control opportunity » reduce importance of contingent variable » reduce occurrence of dependent variable, i.e., unethical *behavior.* This resonates with common sense and accords with long-standing religious teaching, which stresses the importance of rebuffing temptations and avoiding the occasions of sin, but suggests a worrisome aspect of positive ethical decision-making models: they are meant to serve as devices of **external control** over human freedom, aimed at ensuring decision makers' compliance with desired *behavior,* rather than as methods for instructing individuals in the use, or **self-control,** of their own freedom.

C. Propositions from the Contingency Framework

Ferrell & Gresham propose the testing of various propositions regarding their contingency framework:

Table 1: Propositions from the Contingency Framework (Ferrell & Gresham)

Research propositions

A) *Individual Factors:*

1. The more individuals are aware of moral philosophies for ethical decision making, the more influence these philosophies will have on their ethical decisions.

   a. Individuals will be influenced by moral philosophies learned through socialization, i.e., family, social groups, formal education.

   b. Within the educational system, courses, training programs and seminars related to ethics will influence ethical beliefs and *behavior.*

   c. The cultural backgrounds of individuals will influence un/ethical *behavior.*

B) *Organizational Factors:*

2. *Significant others* located in **role sets** with less distance between them and the focal individual are more likely to influence the ethical *behavior* of the focal person.

   a. Top management will have greater influence on the individual than peers, due to power and demands for compliance.

   b. Where top management has little interaction with the focal person and peer contact is frequent, peers will have a greater influence on ethical *behavior.*

3. In general, **differential association** (learning from intimate groups or role sets) predicts un/ethical *behavior.*

   a. Internalization of group norms is not necessary to develop un/ethical *behavior* through **differential association.**

   b. Unethical *behavior* is influenced by the ratio of contacts with unethical patterns to contacts with ethical patterns.

C) *Opportunity Variable:*

4. The *opportunity* for the individual to become involved in unethical behavior will influence reported un/ethical *behavior.*

   a. **Professional codes** of ethics will influence un/ethical behavior. Ethics-related **corporate policy** will influence un/ethical *behavior*.

   b. **Corporate policy** and **codes** of ethics that are enforced will produce the highest level of compliance with established ethical standards.

   c. The greater the **rewards** for unethical *behavior,* the more likely it is that unethical *behavior* will be practiced.

   d. The less **punishment** for unethical *behavior,* the greater the probability that unethical *behavior* will be practiced.

D. Developing and Testing Contingency Hypotheses

1. Hypothesis Generation

      Ferrell & Gresham propose several research objectives for their contingency model: 1) adding specificity to their propositions by expanding the number of *ethical issues or dilemmas* which trigger ethical decision making in accordance with standard business ethics work regarding the identification of un/ethical situations (Darden & Trawick, 1980; Dubinsky, Berkowitz & Rudelius, 1980); 2) identifying additional propositions from their theoretical framework; and 3) developing a "richer taxonomy" of individual and organizational contingencies (moderator variables) characterized in the model as *Individual Factors, Significant Others* and *Opportunity.*

      I note that their first objective, identifying additional *ethical issues or dilemmas,* is necessitated by their conception of what an ethical decision is. For Ferrell & Gresham (and all of the authors who follow), an ethical decision is one that incorporates an explicitly *ethical issue:* that is, an issue that has been identified by some outside authority (e.g., society, experts, theorists) as being ethically relevant. This fact underscores the distance between Ferrell & Gresham's view of ethics and others in which decision making refers back to the decision maker himself; where the decision maker is both the subject and the object of his acts. A model incorporating such a perspective would regard **every** decision as being ethically relevant (because the decision maker would **learn** from every decision), thereby obviating the need to identify additional ethically-relevant issues.

2. Experimental and Field Testing

      Ferrell & Gresham propose testing the resulting hypotheses in a lab setting, since laboratory experiments are advantageous for assessing causal variables (Cook & Campbell, 1976). While laboratory experiments are not without their shortcomings, they control exogenous variables and permit the elimination of alternative explanations. Further field testing is then also recommended. The shortcomings of the laboratory testing approach to ethical decision making research will be discussed later in this paper (See §III, E, ¶ 1).

E. Conclusion

      In the authors' own words:

      This article attempts to integrate the key determinants of un/ethical behavior in a multistage contingency model. The framework is based on the assumption that the behavioral outcome of an ethical dilemma is related to first order interaction between the nature of the ethical situation and characteristics associated with the individual (cognitive factor), significant others, and opportunity....The contingency framework is process oriented, with events in a sequence causally associated or interrelated. The contingency variables represent situational variables to the marketing decision maker (p. 95).

The authors consider it necessary for business-ethics research to develop a taxonomy of ethical standards (Velasquez, 1982), which can inform marketing in order to "understand more about individual factors related to beliefs, values, attitudes, or intentions" (Ferrell & Gresham, p. 95). Additionally, they believe that "[a]ttempts to develop logical decision rules for individual decision making (Laczniak, 1983b) also contribute to understanding individual factors" (Ferrell & Gresham, p. 95). These last considerations highlight a final curiosity of Ferrell & Gresham's model: it treats *Individual Factors* as a situational, or contingency, variable to the marketing decision maker--that is, as a contextual variable seemingly separate from himself. *Knowledge, values, attitudes* and *intentions* are treated as variables within the decision maker, which can be operated on from without in order to achieve compliance with organizational standards. This bypassing of the agency of human freedom underscores the instrumentality, to the authors' minds, of human characteristics, all in the service of desired behavior.

Summary

In sum, we have seen that Ferrell & Gresham's Contingency Framework for Understanding Ethical Decision Making in Marketing explains the "behavioral outcome of an ethical dilemma" (p. 95) by reference to interactions among personal characteristics, significant others and opportunity.

While the variables they posit are undeniably relevant to ethical decision making, Ferrell & Gresham's model is subject to several criticisms including that it: limits the scope of ethically relevant issues to a pre-identified set; fails to address relevant, positive aspects of ethical decision making, which results in a narrowly specified interest in preventing "bad" behavior; instrumentalizes human behavior for the achievement of pre-determined, "correct," ends; assumes that the content of ethical decision making can be separated from its process; deems the ethical ends of behavior to be given; considers only the implementation of ends without regard for their selection; is intended as a "value-free" methodology (ironically, in a value-laden subject: ethics) more suitable for the *administration of human resources* than the *management of human beings;* omits necessary reference to the nature of the agent who is the subject of socialization and influence, and implicitly assumes that he is a static creature; considers only external, outward acts to be subject to moral evaluation; fails to assess the personal consequence of an agent's reliance (for his moral determinations) upon deontology and teleology; assumes that ethical decision making is performed on the basis of moral principles, which cannot evaluate an act properly by virtue of their lacking necessary reference to the three integral sources of the morality of a human act; fails to conceptualize (create formal variables for) the moral philosophy it posits; erroneously links coercive power to ethical behavior (A person can be made to behave "correctly," but not "ethically".) and overlooks all but extrinsic motivation; ignores the influence of exemplarity when positing managers' influence on subordinates' behavior; aims to provide a means of external control over human freedom rather than to instruct decision makers in the ways of self-control; views ethics as primarily relating to situations rather than persons, and; treats personal characteristics (such as attitudes and intentions) as situational variables to be operated on in order to effect desired behavior.

III. Hunt & Vitell's General Theory of Marketing Ethics

Like all of the other models surveyed, Hunt & Vitell's is descriptive, not prescriptive; positive rather than normative. Their model is interesting for its explicit conceptualization of normative philosophy. This positive theory of decision-making processes for marketing ethics formally relies on two major normative ethical theories: deontology and teleology. Recall that Ferrell & Gresham, while testifying to the crucial influence of these two normative theories on "individual factors," nevertheless neglected to formalize them as variables in their contingency model.

The authors claim to believe, consistently with Bahm (1974), "that positive research **should** precede normative writings" (Hunt & Vitell: p. 16; emphasis added). This blanket prescription apparently excepts the normative theories of deontology and teleology--without which their positive model would be contentless--and their own use of the quintessentially normative word, "should" (i.e., ought). Those contradictions notwithstanding, Hunt & Vitell contend that a useful starting point for normative prescription-making is to understand/describe how people actually arrive at ethical judgments.

The authors acknowledge early attempts to construct ethical decision-making models in marketing made by Bartels (1967), who suggested that ethical decisions in marketing are determined by economic implications, organizational expectations and the effects of one's decisions on various constituencies, and Pruden (1971), for whom ethical decision making was determined by individual, organizational and professional ethics. Building on those early attempts, Hunt & Vitell propose to address the perceived need for a "global theory of ethics" (Murphy & Laczniak, 1981: p. 262), which can "serve as a guide for empirical research in the important area of marketing ethics" (Hunt & Vitell, p. 6).

A. Moral Philosophy

Following Taylor (1975: p. 1), the authors define ethics as an "inquiry into the nature and grounds of morality where the term morality is taken to mean moral *judgments, standards,* and *rules* of conduct" (emphases added). They further accept Murphy & Laczniak's (1981) classification, without noting exceptions, of "almost all" normative ethical theories in moral philosophy as either deontological or teleological. For Hunt & Vitell, the fundamental difference between the two theories lies in the fact that "deontological theories focus on the specific actions or behaviors of an individual, whereas teleological theories focus on the consequences of the actions or behaviors" (p. 6). This difference is a matter of focusing on the "inherent righteousness" of behavior vs. focusing on the "amount of good or bad" consequences ensuing from that behavior.

According to the authors, deontologists look for the best set of rules to live by. Hunt & Vitell cite the examples of Sidgwick's (1907) principle of justice, which rests on a notion of reciprocity, and Ross' (1930) theory of *prima facie* duties, examples of which are fidelity, gratitude, justice, beneficence, self-improvement and noninjury. Ross' framework has subsequently been applied in marketing by Laczniak (1983b). Deontological theories are frequently objected to on the grounds that: 1) exceptions can be formulated for almost any rule; and 2) for most rules, a conflicting rule is easy to find. For example, in Ross' framework the demands of fidelity can often conflict with those of justice. Deontology has also been criticized for not taking promotion of the good--understood as a good outcome--seriously enough.

In response to this latter defect of deontology, teleologists seek the "best set" of consequences from an act. The authors distinguish between "ethical egoism"--the promotion of one's own greatest good--and "ethical universalism," of which "utilitarianism" is an example--the promotion of the greatest good for the greatest number. Teleology, however, is not without its own problems. Utilitarianism is criticized on the grounds that: 1) the issue of whose good the consequences are to favor is not settled; 2) goods are incommensurable and therefore impossible to measure and weigh against each other; and 3) even were an accurate picture of total good calculable, its distribution might easily be considered unjust.

Hunt & Vitell seek a pragmatic compromise in the work of Frankena (1963), who advocates a "mixed deontological-teleological system of ethics" (Hunt & Vitell, p. 7), which

> instructs us to determine what is right or wrong in particular situations, normally at least, by consulting rules such as we usually associate with morality; but it goes on to say that the way to tell what rules we should live by is to see which rules best fulfill the joint requirements of utility and justice... (Hunt & Vitell, p. 7; quoting Frankena).

Hunt & Vitell conclude that both deontological and teleological theories must be taken into account in decision making. "The ultimate underlying assumption of the positive theory to be developed ... is that people ... do in fact engage in both deontological and teleological evaluations in determining their ethical judgments and, ultimately, their behaviors" (p. 7).

B. Development of the Theory

Only once an ethical problem is perceived does the model operate. If no "ethical content" is perceived, the model is inapplicable; thus "perception" is crucial.

The decision model proceeds in sequential stages: 1) perception of *ethical content;* to 2) perception of various possible *alternatives;* to 3) *deontological evaluation* and *teleological evaluation;* to 4) formulation of an *ethical judgment* (which is a function of the *deontological evaluation* and the *teleological evaluation*); to 5) formulation of an *intention*; to 6) *behavior* (which is moderated by *situational factors*); to 7) evaluation of the *actual consequences* of action; to 8) feedback into *personal experiences.*

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Figure 2: General Theory of Marketing Ethics (Hunt & Vitell)
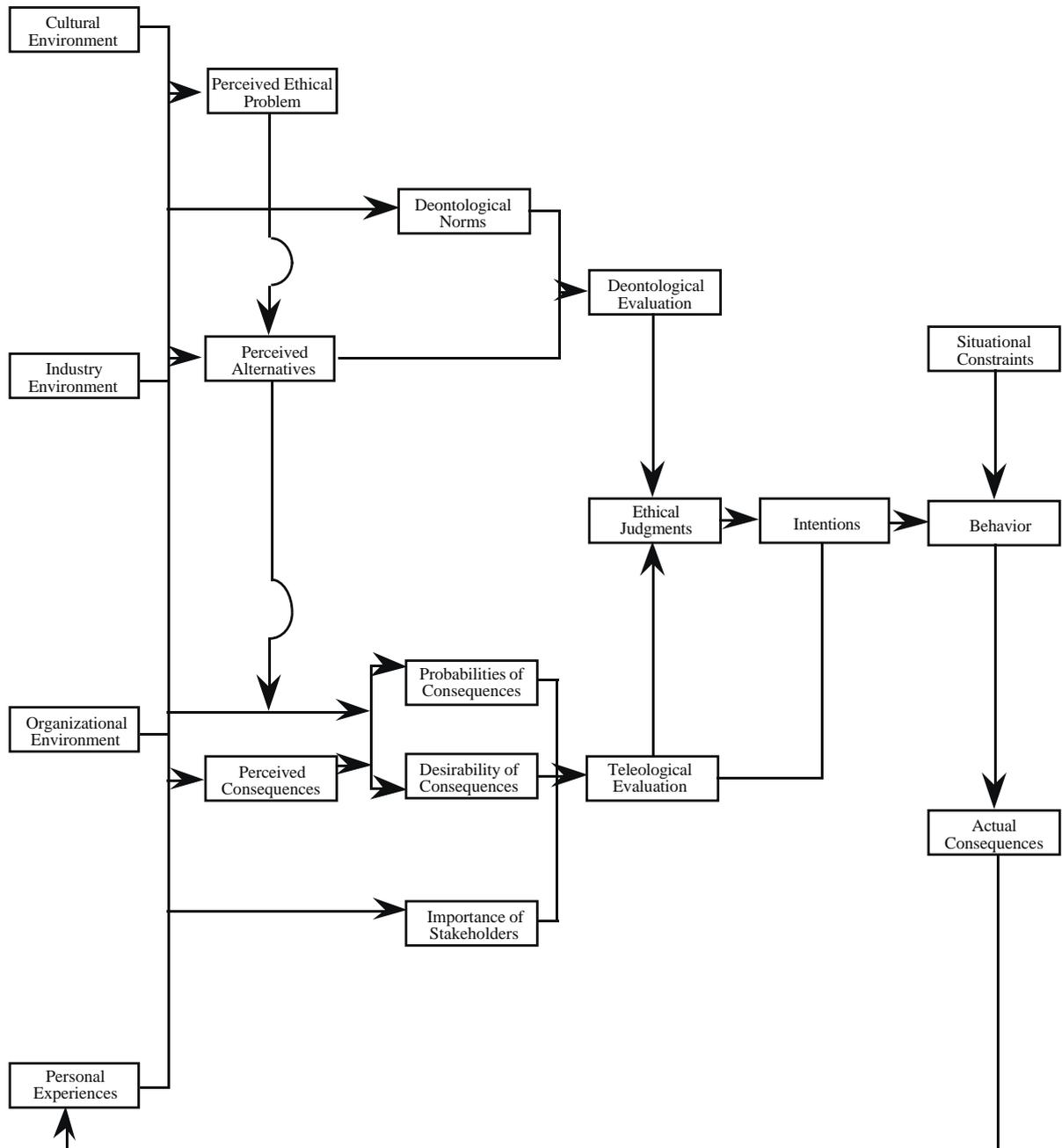
Source: Adapted from Hunt, S. D. & Vitell, S. (1986) A General Theory of Marketing Ethics. *Journal of Macromarketing,* Spring, 8.

     Also critical is *alternative* generation, as differences in individuals' behavior might be traceable to differing perceptions of moral *alternatives,* among other variables.

     According to the authors, in performing the *deontological evaluation,* the individual considers the "inherent rightness or wrongness" of the *alternative* contemplated. *Deontological norms* are considered to be predetermined and to reflect the agent's personal values or rules of behavior. (One might consider this stage an opportune point to link Hunt &

Vitell's model with Ferrell & Gresham's alluded-to concept of "decision rules.") The authors hold that *deontological norms* can take either a general form or that of an issue-specific belief. For example, both the general prescription to be fair or the more specific one to respect the confidentiality of certain information would qualify.

The *teleological evaluation* ultimately results in beliefs concerning the relative "goodness or badness" of each alternative perceived and evaluated. In performing the *teleological evaluation,* four constructs are envisioned:

1)   the *perceived consequences* of each *alternative* for various stakeholder groups,
2)   the *probability* that each *consequence* will occur to each *stakeholder* group,
3)   the *desirability* or undesirability of each *consequence,* and
4)   the *importance of each stakeholder group* (p. 9; emphases added).

The authors base these constructs on empirical findings regarding the *importance* to business executives of various *stakeholders,* including customers, stockholders and employees, in that order (Brenner & Molander, 1977); the salience to marketers of peers, interfacers and managers (Zey-Ferrell, Weaver & Ferrell, 1979); and the relevance to individuals generally of organizational distance (Zey-Ferrell & Ferrell, 1982).

The purported "heart of the model" is the *ethical judgment* phase, in which the choice of a particular *alternative* is selected as the most ethical one. This phase depends upon the individual's *deontological evaluation,* that is, the alternative which best satisfies *norms;* and his *teleological evaluation,* that is, the alternative offering the greatest sum total of outcome "goodness."

It should be noted that while Hunt & Vitell postulate the *ethical judgment* to be a function of both the *deontological evaluation* and the *teleological evaluation,* they do not address in what proportion or by what mechanism those *evaluations* operate on *judgment.* They do, however, suggest that a given individual in a specific set of circumstances might be either a strict deontologist or teleologist, though they consider it improbable.

Ethical judgment is hypothesized to impact *behavior* through the intervening variable of *intention.* The authors note that this assumption is consistent with general theories of consumer behavior (Engel, Blackwell & Kollat, 1978; Howard & Sheth, 1969). Following Reibstein (1978), Hunt & Vitell characterize the *intention* construct as "the likelihood that any particular alternative will be chosen" (p. 9).

On this point, it must be observed that while the existence of an *intention* certainly increases the likelihood of certain *behavior,* an *intention* alone does not necessarily signify that an act is more likely to occur than not. For instance, while my *intention* to lose weight makes it more likely that I will do so than would be the case if I didn't formulate such an intention, its formulation doesn't necessarily signify that I am, in fact, likely to lose weight. An *intention* at this point merely signifies a wish, or whimsy. What appears to be missing is an intervening set of variables: namely "freedom" and the "moral virtue" which operationalizes, or activates, it, and which would convert *intention* into a likelihood. This failure to posit relevant variables is found not only in Hunt & Vitell's model, but also in every other model surveyed in this report, all of which progress automatically from either *judgment* or *intention* to *behavior.* That is to say, all of the existing ethical decision-making models are missing the crucial constructs of freedom and virtue. Nevertheless, Hunt & Vitell defer the problem by referring *intention* to likelihood of choosing an alternative, that is, to a subjective probability, rather than to the likelihood of engaging in behavior: their dependent variable.

Hunt & Vitell prefigure Jones' (1991) hypothesis regarding the hegemony of "issue contingency" over the moral decision-making process when they suggest, following Ryan (1976), that: "both ethical judgments and intentions should be better predictors of behavior in situations where the ethical issues are central, rather than peripheral" (Hunt & Vitell, p. 9). This is a milder way of stating Jones' central contention that moral behavior is more likely to occur when the issue is of high "moral intensity" (see Jones, §IX, C).

Aside from its effect on *ethical judgment,* the *teleological evaluation* is also hypothesized to exert an independent influence on the *intention* construct. Thus, according to the authors, *ethical judgments* might differ from intentions when consequences preferable to the moral ones override the *judgment* made previously on the bases of "inherent rightness" and "best outcome." The authors conjecture, rather than formalize variables to explain or describe, that when *intentions* and *behavior* differ from the *ethical judgment,* "guilt" arises. This is merely asserted, but is supported by common sense and venerable philosophical tradition regarding another missing construct: "conscience."

Hunt & Vitell posit that *situational constraints* might also thwart *intention* and *ethical judgment.* They offer the example of "opportunity," (which, as we have seen, plays a central role in Ferrell & Gresham's contingency model) the effect of which (upon ethical decision making) has been hypothesized (Newstrom & Ruch, 1975), identified (Mayer, 1970) and documented (Zey-Ferrell, Weaver & Ferrell, 1979).

The major "learning" construct in the model derives from evaluation of the *actual consequences* of behavior. These *actual consequences* feed back into a *personal experiences* construct. *Personal experiences* is a multi-dimensional construct which includes: 1) moral development (Kohlberg, 1981); 2) personality (Hegarty & Sims, 1978); and 3) a grab bag consisting of "the individual's total life experiences" (p. 10). Hunt & Vitell claim empirical support for their "learning" assumption from Hegarty & Sims' (1978) conclusion that individuals can be conditioned by rewards and punishments to behave unethically. One might quarrel here with Hunt & Vitell by noting that Hegarty & Sims' conclusion refers to the consequences of sanctions applied to behavior rather than to consequences of the behavior itself. In other words, Hegarty & Sims appear to support an operant-conditioning hypothesis, whereas Hunt & Vitell propose a rational-evaluation construct.

Finally, norms pertaining to the three *environmental* constructs (*organization, industry* and *culture*) combined with *personal experiences* affect a number of the other constructs previously mentioned: 1) *perceived ethical situation;* 2) *perceived alternatives;* 3) *perceived consequences;* 4) *deontological norms;* 5) *probabilities of consequences;* 6) *desirability of consequences*; and 7) *importance of stakeholders.* The relevance of organizational and industrial norms is indicated by abundant research. For example, managers' ethical norms have been found to be influenced by: 1) top executives (Newstrom & Ruch, 1975); 2) an industry's ethical climate, and the general societal moral climate (Brenner & Molander, 1977); and 3) organizational norms (Ferrell & Weaver, 1978). Sales personnel have also been purported to look to organizational guidelines for help in resolving ethical questions (Dubinsky, Berkowitz & Rudelius, 1980). The relevance of *cultural* factors to individual decision making, such as "law, respect for individuality, rights of property, religion, national identity and loyalty, and values and customs" (Hunt & Vitell, p. 10), has been identified by Bartels (1967). Different cultural norms regarding bribery have also been investigated extensively (Kaikati & Label, 1980).

Note that Hunt & Vitell's amalgam of three *environments* and *personal experiences* operates as a form, and source, of "spontaneous motivation," given in any moral situation, to engage in the *evaluation* processes.

C. Testable Propositions

Hunt & Vitell propose a number of propositions on the basis of their model:

Table 2: Propositions from the General Theory (Hunt & Vitell)

1. EJ = f(DE,TE)	The *ethical judgments* concerning each [of several] *alternatives* are a function of *deontological evaluation* and *teleological evaluation.*
2. I = f(EJ,TE)	The *intention* to adopt a particular *alternative* is a function of *ethical judgments* and *teleological evaluation.*
3. B = f(I,SC)	The likelihood that an individual will engage in a particular behavior is a function of the individual's *intentions* and *situational constraints.*
4. TE = f(DC,IS,PC)	The *teleological evaluation* for each alternative is a function of the *desirability or undesirability of the consequences* of each *alternative,* the *probabilities of the consequences* associated with each *alternative,* and the *importance of the stakeholders* on whom the *consequences* fall.
5. DE = f(DN,PA)	The *deontological evaluation* is a function of *deontological norms* that are applied to each [*particular*] *alternative.*
6. DN = f(PE,OE,IE,CE)	The *deontological norms* are formed by the individual's *personal experiences, organizational environment, industry environment* and *cultural environment.*
7. IS = f(PE,OE,IE,CE)	The *importance of each stakeholder* group is determined by the same *environmental factors* that form the *deontological norms.*

D. Suggestions for Testing the Model

Hunt & Vitell suggest that portions of the model be tested separately using standard "scenario" techniques posing vignettes with obvious ethical implications, and providing respondents with several specific *alternatives.* They also suggest probing respondents for general beliefs about the rightness or wrongness of issues presented, and providing respondents with *consequences* involving various *stakeholders* in order to explore the respondents' value systems. This same research design could be used to test relationships between other model constructs: for example, *intentions* and *ethical judgments.*

E. The Sources of Ethical Variance

Hunt & Vitell suggest that a combination of the lack of theoretical foundation and two research design artifacts limits the usefulness of "most ... empirical studies on marketing ethics" (p. 12). Those artifacts are that: 1) most research designs use "other party" questions: that is, researchers ask for an evaluation of "someone else's" behavior rather than how the respondent himself would behave; and 2) the erroneous presumption is made that subjects (e.g., students) can respond meaningfully to the question asked. These criticisms address the general weakness of laboratory testing that I alluded to earlier while setting forth Ferrell & Gresham's model (See §II, D, 2).

The consequence of these limits, according to the authors, is that research cannot support recommendations, or prescriptions, because "[m]ost empirical research simply documents the existence of different ethical judgments among different populations and does not investigate their causes" (p. 13). Hunt & Vitell believe that their ethical decision-making model takes the "next step" in marketing [business] ethics research: "exploring the causes of differing ethical judgments" (p. 14). Whether their model sufficiently captures the depth of those causes is debatable, but the attempt at identifying causes of judgments is significant.

Their model suggests that variance in *ethical judgments,* or "ethical belief" as they sometimes call it, results from "four major sources": 1) differences in *perceptions* of factual reality (e.g., available *alternatives, consequences, stakeholders, probability*); 2) differences in *teleological evaluation* due to different *perceptions* and values; 3) differences in *deontological evaluation* due to different values when duties conflict (e.g., fidelity vs. justice); and 4) differences in how individuals synthesize their *deontological* and *teleological evaluations.* These four sources of variance can be succinctly stated as: 1) *perceptions* of reality; 2) *deontological evaluations;* 3) *teleological evaluations;* and 4) combinations rules.

F. Applying the Theory to Past Research

Hunt & Vitell take particular exception to prior findings of low moral quality among marketers. For instance, they argue that it is erroneous to conclude on the basis of variance between marketers' responses and those of other respondents, that an "ethics gap" exists between businessmen and other groups (Sturdivant & Cocanougher, 1973). Since the mere fact of differences in respondents' ethical evaluations can be explained by the aforementioned sources of variance, individuals' "ethical frameworks" might very well be identical, even though their *judgments* differ. In short, "different ethical judgments do not imply different ethical frameworks and similar ethical judgments do not imply similar ethical frameworks" (p. 14).

G. Conclusion

While the authors make a point of not claiming the "correctness" of their model, they invite its testing, and do, however, claim that it is: "1) consistent with moral philosophy and past research, 2) helpful in analyzing past research, and 3) amenable to empirical testing" (p. 15).

Summary

In sum, we have seen that Hunt & Vitell's General Theory of Marketing Ethics explores the reputed, normative causes of differing ethical judgments and incorporates normative theory (i.e., deontology and teleology) into a positive model. Indeed, their very enterprise embarks on the self-contradictory assurance that positive research based on normative theories should precede normative writing.

While their formalization of normative variables in a positive model adds to our understanding of ethical decision making, Hunt & Vitell's model is nevertheless subject to several criticisms including that it: utilizes a definition of ethics that precludes consideration of human flourishing; correctly posits that deontology and teleology inform individual decision makers' choices, but fails to posit the personal consequences of that decision maker's doing so; requires the decision maker's perception of an ethical problem for the model to apply to his decision making; views learning as feedback from behavior's actual consequences into personal experiences along purely cognitive (as opposed to character-related) lines; assumes direct movement from *intention* to *behavior* without considering the conduit of character; considers *intention* as the likelihood that an alternative will be chosen when, without concepts of human freedom and the moral virtue necessary to operationalize it, intention is merely a whimsy; considers *judgments* and *intentions* to more consistently predict behavior where the ethical issue is of central importance, *ipso facto;* asserts the possibility of guilt without positing the variable of conscience, and; mistakenly identifies a person's moral quality with his "ethical framework," or personal ethical model.

IV. Trevino's Person-Situation Interactionist Model for Ethical Decision Making in Organizations

A. Interactionist Model of Ethical Decision Making in Organizations

Trevino proposes an "interactionist" model that incorporates both individual and situational variables in the study of ethical decision making in organizations. For Trevino, interaction between individual and situational components explains that decision making. Again, it should be emphasized that in her work, or in that of any of the others reviewed, there is no discussion of what might be called the "integrative capacity" of the "integrator," which is itself a variable. In other words, virtue (and vice), the means by which integrative capacity is strengthened (or destroyed), is missing.

Trevino's model begins with the perception of an *ethical dilemma.* The individual then reacts with *cognitions,* which explain how he thinks about right and wrong. This part of the model is furnished by Lawrence Kohlberg's model of *cognitive moral development* (1969; 1976) and constitutes Trevino's main contribution to the literature of ethical decision-making models. Before *cognitions* can influence un/ethical behavior, they are interacted with by *individual variables,* such as: 1) *ego strength;* 2) *field dependence;* and 3) *locus of control;* and *situational variables,* such as (a) *immediate job context;* (b) *organizational culture;* and (c) *characteristics of the work* itself. The *situational variables/moderators* are also posited to feed back and impact *cognition,* thereby determining *cognitive moral development.*

Figure 3: Interactionist Model of Ethical Decision Making in Organizations (Trevino)
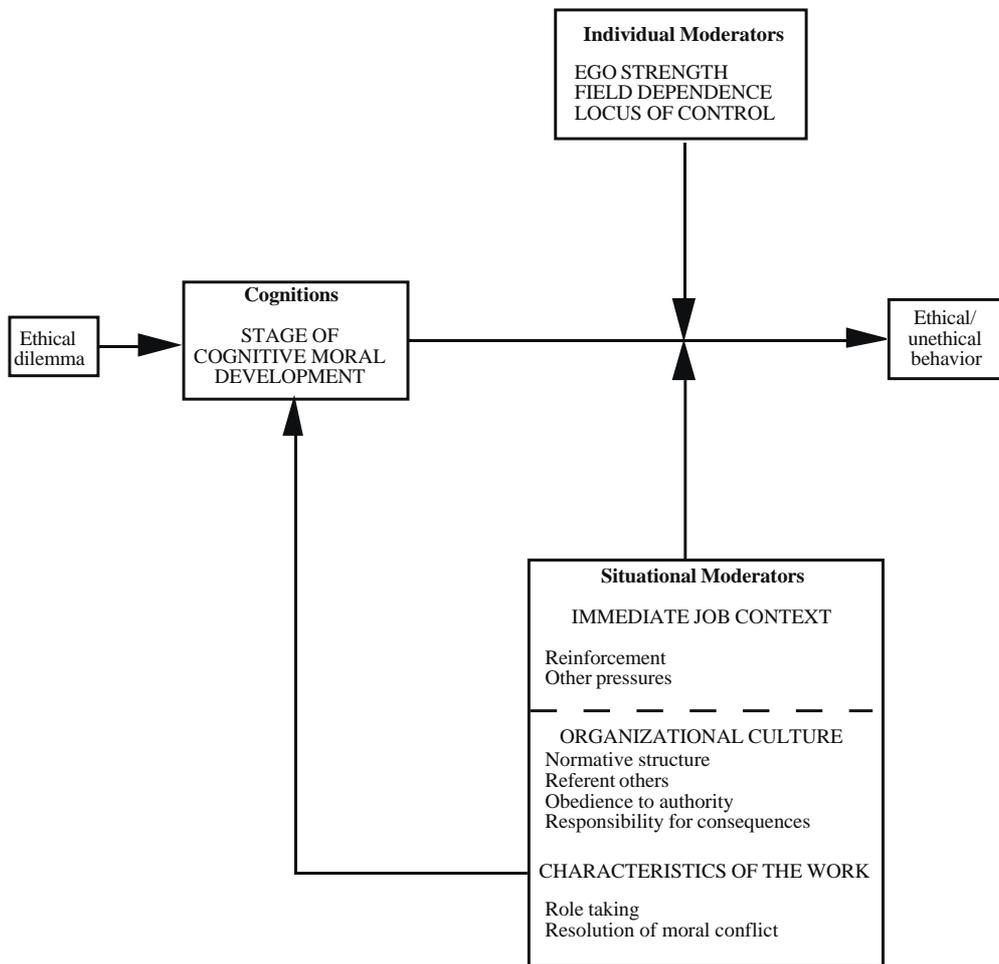
B. Cognitions

Kohlberg's model of *cognitive moral development* proposes that "an individual's level of cognitive moral development strongly influences the person's decision regarding what is right or wrong; the rights, duties, and obligations involved in a particular ethical dilemma."

Trevino is far more comfortable with a psychological construct as the primary independent variable than with normative philosophy playing that role, as it does for Hunt & Vitell, for instance. Research from Fritsche & Becker (1984) dissuades her from believing that normative ethical theory is particularly helpful in explaining or predicting ethical decision making. While most of their manager respondents manifested a utilitarian orientation, evaluating behavior in terms of its social consequences, such knowledge was not especially helpful for explaining and predicting ethical behavior. For Trevino, normative theory is incapable of explaining or predicting behavior because: 1) it represents "ideals"

rather than actuality; and 2) it lacks "face validity." That is, managers do not appear to think of their day-to-day decision making as following normative ethical theories.

A couple of observations are worth making about Trevino's model at the outset. The first is that her dependent variable is *un/ethical behavior,* although it is difficult to guess what this could mean given her dismissal of normative ethical theory. Once again, this crucial variable is treated as sociologically given from beyond the confines of the model. The second is that her outright dismissal of normative theory not only converts ethical decision making into a subset of psychology rather than philosophy, but also discounts the very real possibility of managers acting in accordance with unexplicated and unrecognized ethical theories. Finally, as will be seen more clearly later, she downplays the fact that the stages of Kohlberg's *cognitive moral development* theory are pregnant with the very normative theories she dismisses. For example, Kohlberg's stage #5--social contract and individual rights--and stage #6--universal ethical principles--are rooted directly in moral philosophy. Moreover, the very notion of a hierarchical ranking of these levels makes normative presuppositions about them.

1. Model of Cognitive Moral Development

Table 3: Six Stages of Moral Development According to Kohlberg (Trevino)

Stage	What is considered to be right
LEVEL ONE - PRECONVENTIONAL	
Stage One - Obedience and punishment orientation	Sticking to rules to avoid physical punishment. Obedience for its own sake.
Stage Two - Instrumental purpose and exchange	Following rules only when it is in one's immediate interest. Right is an equal exchange, a fair deal.
LEVEL TWO - CONVENTIONAL	
Stage Three - Interpersonal accord, conformity, mutual expectations	Stereotypical "good" behavior. Living up to what is expected by people close to you.
Stage Four - Social accord and system maintenance	Fulfilling duties and obligations to which you have agreed. Upholding laws except in extreme cases where they conflict with fixed social duties. Contributing to the society, group.
LEVEL THREE - PRINCIPLED	
Stage Five - Social contract and individual rights	Being aware that people hold a variety of values; that rules are relative to the group. Upholding rules because they are the social contract. Upholding nonrelative values and rights regardless of majority opinion.
Stage Six - Universal ethical principles	Following self-chosen ethical principles. When laws violate these principles, act in accord with principles.

Source: Adapted from Kohlberg, L. (1976) Moral Stages and Moralization: The Cognitive-Developmental Approach. In T. Lickona (Ed.), *Moral Development and Behavior: Theory, Research, and Social Issues,* 34-35. NY: Holt, Rinehart & Winston.

Kohlberg's model purports to supply insight into how organizational members think about "moral dilemmas" and determine what is right or wrong in a given situation. The model posits that cognitive (reasoning) processes of moral decision making develop in complexity and sophistication as one progresses from childhood to adulthood. Kohlberg's emphasis purports to be placed on the cognitive "process" rather than the outcome (or decision itself) of decision making: the reasons justifying a choice rather than the choice itself.

According to Trevino, "[m]oral judgments are prescriptive assessments of what is right or wrong;...judgments of value, social judgments involving people, and prescriptive judgments of rights and duties" (p. 604; Colby, Gibbs, Kohlberg, Speicher-Dubin & Candee, 1980). Trevino uses the term "moral judgment" synonymously with "ethical decision making" (p. 604).

From this it is obvious that, while she adds the variable of *cognitive moral development* to the literature of ethical decision-making models, she does so at the cost of refinement. Ethical decision making becomes synonymous with moral judgment, as opposed to being a distinct concept as it is in the models of Ferrell & Gresham and Hunt & Vitell, and neither concept is formulated as a variable in her model. They are subsumed into the *cognition* phase. Insofar as judgment is an act of the intellect, not the will, the identification of judgment with ethical decision making omits the crucial element of moral acting: the decisive role of the will.

As shown in Table 3, Kohlberg posits six stages of moral cognition, with an invariant, irreversible sequence of movement from one stage to the next constituting moral development. "The characteristics of the levels and stages define the construct 'moral judgment'" (p. 604). In stages 1 & 2 (level 1), concrete consequences--especially rewards and punishments--dominate an individual's concerns. This preoccupation is replaced in stages 3 & 4 (level 2) by association of what is right with conformance to expectations: of society or of some segment of it (e.g., family, peer groups, and the like). Kohlberg judges that most adults reason morally in stages 3 & 4. In stages 5 & 6 (level 3), "universal values and principles" (p. 606) that transcend norms, laws and authority come to determine moral reasoning.

Kohlberg measures *cognitive moral development* by "Standard Issue Scoring," which involves eliciting subjects' spontaneous reasoning when confronted with moral dilemmas.

a. Empirical Support

Cognitive moral development is not related to general intellectual capacity. Kohlberg's own longitudinal sample found weak correlation between IQ and "adult moral judgment level," "indicating that moral judgment has a cognitive base but is not simply mental development applied to moral questions" (p. 606; Kohlberg, 1969; Colby, Kohlberg, Gibbs & Lieberman, 1983).

Research indicates that *cognitive moral development* is related to ethical behavior. For example, Trevino offers that higher-stage individuals cheat less and help out those in need more (Kohlberg & Candee, 1984) and more frequently refused to administer shocks in the Milgram experiment (Kohlberg, 1969). Trevino counts on us to recognize the immorality of cheating and administering shocks, but the variables necessary to explain why those actions constitute unethical behavior are not contained within her model. Thus, while

Trevino's Kohlbergian methodology purports to emphasize cognitive processes over outcomes, morally recognizable outcomes are ultimately decisive in evaluating the moral relevance of those processes.

This underscores another peculiarity of *cognitive moral development.* While it is assumed that higher-stage individuals act on the basis of either social contract (stage 5) or autonomy (stage 6), what really matters to moral evaluation is not that principles are self-chosen, but rather that given standards are complied with, something that was presumed to characterize lower-stage reasoning. Otherwise, Nietszche's *übermensch* would be the most moral of men. By Kohlberg's scheme, how could researchers conclude that it is morally better to refrain from administering shocks in the Milgram experiments if a respondent believed, as did Thucydides' Athenians at Melos, that it was a universal law that the strong should crush the weak? They could do so only by reference to an external standard.

From the examples she uses, it also appears that the richness of intention, or end, as a moral variable is lost in her process-oriented approach to morality. For instance, it is irrelevant to Kohlberg and Trevino that individuals might "help out those in need" in order to humiliate them; or that some respondents might "cheat less" in order to win praise, while others might do so in order to lay the groundwork for some greater treachery ahead. All are morally mature individuals according to this framework, as long as they act on the basis of "self-chosen ethical principles." Indeed, according to Trevino's explicit criteria, one would be morally mature though he "administered shocks," if he did so on the basis of self-chosen "universal values" (even while providing counter-evidence to the proposition that *cognitive moral development* is directly related to "ethical behavior").

Another way of looking at Kohlberg's stages is as fossilized intentions (contained in Table 3's column labeled "What is considered to be right"). For example, the intention in stage one is to avoid physical punishment; in stage four, to uphold one's agreements, and so forth. Thus, even within his allegedly positive model of *cognitive moral development*, Kohlberg cannot escape making normative judgments regarding ends: e.g., it is morally superior to uphold rules for the sake, or end, of a supposed social contract (stage 5) than for the sake of fulfilling an obligation (stage 4).

Trevino notes that the universality and invariant sequential nature of Kohlberg's stages appear to be supported across cultures, social classes and sex (Snarey, 1985).

Significantly for the prescriptions to be derived from Trevino's model, research links "continuing adult maturity" to educational level (Colby et al. 1983) and work experiences.

b. Relation to Managers' Ethical Decisions

Lower-level/stage managers were found to be more likely to assign an annual performance appraisal to an emotionally distressed and faltering senior salesman on the basis of the appraisal's effect on himself, while higher-stage managers were more likely to consider organizational loyalty, past performance, need for help, and other factors (Manning, 1981). Furthermore, management students' arguments to justify padding an expense account were more likely to be lower-stage, whereas arguments against doing so tended to be higher-stage (Stratton, Flynn & Johnson, 1981).

c. Training

Research indicates that training can enhance an individual's *moral development.* For instance, a participant exposed to views based on moral reasoning one stage higher than his own: 1) experiences cognitive disequilibrium; 2) questions the adequacy of his own level; and 3) considers the merits of the other. This was found to begin a cognitive restructuring process towards more advanced moral reasoning (Hersh, Miller & Fielding, 1980).

Moreover, statistically significant positive change has been demonstrated with medical students (Goldman & Arbuthnot, 1979) and MBA students (Penn & Collier, 1985) using Kohlberg's approach. Trevino contrasts these results to the bleaker ones attained by using more traditional approaches (Arlow & Ulrich, 1985; Martin, 1981).

d. The Cognitive Moral Development Contribution

Trevino argues for the inclusion of Kohlberg-style ethics training in business school curricula, and lauds its: 1) "clear and empirically validated definition of the construct 'moral judgment'"; 2) "inductive social science theory base rather than the more common deductive philosophical base...[This social science base] can be used to develop operational hypotheses concerning the cognitive component of ethical decision making in management"; 3) "face validity of the definition of each moral judgment stage"; and 4) "range of seemingly valid and reliable measurement tools ... available for use in the research and to evaluate training programs" (p. 608).

Regarding face validity, recall that, for Trevino, normative moral philosophy specifically lacked this quality. While she acknowledges the philosophical content of Kohlberg's stage definitions, she contends that "these are not the focus. The profile of each stage has meaning without any background in ethics or philosophy" (p. 608). Be that as it may, it appears on the basis of Kohlberg's stages that the apex of moral reasoning consists in being a good Lockean or, even better, a Kantian. (Perhaps it even consists in being a Nietszchean.) It would be pernicious for those normative judgments to inform the positive science of researchers lacking "any background in ethics or philosophy" without their knowing it. Yet this unrecognized and unacknowledged prejudice does precisely that.

e. Propositions for Future Research

Based on the *cognitive* component of Trevino's ethical decision-making model in organizations, she proposes testing the following propositions:

Prop. 1:   The large majority of managers reason about work-related ethical dilemmas at the conventional level (stages 3 and 4).

Prop. 2:   Managers at the principled moral reasoning level (stages 5 and 6) will exhibit significantly more consistency between moral judgment and moral action than those at lower stages.

Prop. 3:   Managers' moral judgments in actual work-related decision situations will be lower (in cognitive moral development stage) than their judgments in response to hypothetical dilemmas (Higgins, Power & Kohlberg, 1984).

Prop. 4: Moral judgment development scores will be significantly higher for managers with higher levels of education than for managers with lower levels of education.

Prop. 5: Participants (students or managers) in ethics training programs based on cognitive moral development training strategies will exhibit significant pre-test to post-test increases in moral judgment development scores.

f. Limitations of Kohlberg's Model

Trevino forthrightly acknowledges that Kohlberg's model tests only moral judgments, which are limited to *cognitions,* rather than *behavior.* It only gauges how individuals think about moral dilemmas, not what they would do in a particular decision situation. While research indicates a moderate relationship between thought and action, moral judgment is a necessary but insufficient condition for moral behavior, examples of which are proposed without justification: honesty, altruism and resistance to temptation (Kohlberg & Candee, 1984).

A critical review of the *cognition/action* literature revealed that:

(a) considerable support exists for a statistical relationship between moral reasoning and moral action;
(b) moral reasoning is important but does not totally explain delinquent behavior;
(c) higher moral stage individuals are more likely to resist the pressure of conforming to the judgments of others;
(d) weaker support exists for the hypothesis that higher stage individuals are more honest and altruistic; and
(e) less support exists for the hypothesis that post-conventional level individuals are more likely to resist social pressure to conform in moral action (Blasi, 1980).

C. Additional Individual Variables

Trevino posits that both *individual* and *situational* variables influence the relationship between cognition and action.

1. Ego Strength

By *ego strength* Trevino means "a construct related to strength of conviction or self-regulating skills" that enables individuals to "resist impulses and follow their convictions..." (p. 609). Consequently, ego strength enables people to be more consistent "in the moral cognition/moral action relationship. They are more likely to do what they think is right" (p. 609; Grim, Kohlberg & White, 1968).

Trevino claims Blasi (1980) as support for a relationship between ego strength and IQ. Moreover, IQ and attitude have been considered in various studies to be components of ego strength "that help one carry out one's decision" (p. 609), and studies indicate that subjects high in both IQ and moral reasoning scored highs in "cognitive/action consistency."

Trevino's treatment of *ego strength* indicates the extent to which she replaces moral virtue, in this case fortitude and temperance, with psychological variables. This is the consequence of her locating morality in cognition rather than in character. For her, character appears to reduce to cognition.

> Prop. 6: Managers with high *ego strength* will exhibit more consistency between moral judgment and moral action than those with low ego strength.

2. Field Dependence

This construct, fashioned by Witkin & Goodenough (1977), maintains that "[w]hen the situation is ambiguous, and referents provide information that helps remove the ambiguity, field dependent individuals make greater use of external social referents to guide their behavior. Field independent people function with greater autonomy" (p. 610). Thus, the concept of field (in)dependence applies to any person viewed from the perspective of his susceptibility to outside input. From this construct, Trevino derives another proposition:

> Prop. 7: Field independent managers will exhibit more consistency between moral judgment and moral action than field dependent managers.

3. Locus of Control

Locus of control is another personality characteristic. Rotter's (1966) "internal" and "external" scales measure an individual's perception of his control over life events, with internals believing they control their lives and externals believing that fate, luck, destiny, and the like, do. Trevino proposes the following:

> Prop. 8: Managers whose locus of control is internal will exhibit more consistency between moral judgment and moral action than managers whose locus of control is external.

D. Situational Variables

Trevino holds that since moral action takes place in a social context, un/ethical behavior in a given situation results from the interaction between an individual of fixed characteristics and the situation in which he encounters himself (Higgins, Power & Kohlberg, 1984).

Since individuals at the conventional level are situationally influenced, it follows that:

> Prop. 9: Conventional level managers, that is, those in stages 3 & 4, will be most susceptible to situational influences on un/ethical behavior.

> Prop. 10: Principled managers will be more likely to resist, attempt to change, or select themselves out of unethical situations.

Trevino's model posits that *situational effects* influence *moral development* through *work* experience via: 1) *characteristics of the job* itself; and 2) *organizational culture.*

Trevino's inclusion of work-related development is important. According to her, "[t]he individual is not to be thought of as a stagnant entity frozen at a particular developmental level" (p. 611). Through work, individuals experience continuing moral development. While the psychological terminus of Trevino's approach limits her own perception of its importance, she nevertheless highlights the relevance of work to moral development.

1. Characteristics of Work and Cognitive Moral Development

Trevino speculates that *two work characteristics* contribute to adult moral development: 1) opportunities for *role-taking,* that is, taking into account the perspective of others; and 2) responsibility for the *resolution of moral dilemmas.* The more opportunities for *role taking* and responsibility for *resolution of moral dilemmas* an individual has, the more likely he is to advance to a higher *cognitive moral development stage*.

2. Organizational Culture and Cognitive Moral Development

Trevino defines *organizational culture* as "the common set of assumptions, values, and beliefs shared by organizational members" (p. 611). It is presumed to influence thought and feelings and to guide behavior, being manifest in norms, rituals, ceremonies, legends and organizational heroes.

Organizational cultures which allow decision-making responsibility and role-taking opportunities foster individual moral development. For this reason, she conjectures that "democratic" cultures may enhance an individual's *cognitive moral development,* while "authoritarian" or "mechanistic" ones may arrest it (Higgins & Gordon, 1985).

With respect to *situational variables* generally, Trevino postulates that they moderate the *cognition/behavior* relationship as well as influence *cognitive moral development.*

a. Organizational Culture and Un/ethical Behavior

Organizational culture is thought to moderate the *cognition/behavior* relationship through the following constructs:

Normative Structure represents an organization's collective norms about correct behavior, which are shared by members and influence their *behavior* (Higgins & Gordon, 1985; Higgins, Power & Kohlberg, 1984). Trevino proposes the following:

> Prop. 11: In a culture that has a strong normative structure, there will be more agreement among organizational members about what is appropriate (ethical) or inappropriate (unethical) behavior.

In weak-cultured organizations, Trevino surmises that organizational subcultures and *referent others* provide individuals with norms (Schein, 1984).

Prop. 12: In a weak culture, organization members are more likely to rely on subculture norms for guidance regarding un/ethical behavior.

b. Referent Others

Zey-Ferrell, Weaver & Ferrell (1979) have suggested the paramount role among marketers of peers in influencing un/ethical behavior, and Zey-Ferrell & Ferrell (1982) found that intraorganizational *referent others* influenced un/ethical behavior.

Given the above, Trevino prescribes influencing organizational members' *behavior* by identifying and proposing desirable *referent others,* and/or changing the attitudes and *behavior* of existing *referent others.* (I might add that this recommendation is analogous to the time-honored practice of parents selecting their children's friends.) She offers the following:

Prop. 13: Managers' un/ethical behavior will be influenced significantly by the behavior of referent other(s).

c. Obedience to Authority

Trevino maintains that *culture* influences *behavior* through: 1) its definition of *authority* relationships; and 2) its *assignation of responsibility for consequences* of action.

The Milgram-type obedience studies demonstrated the extent to which individuals will inflict harm on others if asked to do so by an authority figure (Rosehan, Moore & Underwood, 1976).

Prop. 14: Managers' ethical behavior will be influenced significantly by the demands of authority figures.

d. Responsibility for Consequences

Following Schwartz (1968), Trevino suggests that an individual's awareness of the consequences of his actions on others and his acceptance of *responsibility* for those consequences are necessary conditions for influencing that individual's *behavior* through activation of his moral norms.

She also suggests that organizations diffuse the sense of *responsibility* for an action's consequences by mistakenly "promoting external definitions of responsibility" (p. 613): for instance, by maintaining that responsibility belongs to someone else by virtue of his formal role, position in the hierarchy or authority jurisdiction (Maclagan, 1983).

Trevino therefore prescribes that *organizational culture* promote individual *responsibility* for actions throughout the organization. Otherwise, organizational considerations trump moral ones when individuals determine appropriate behavior (Turiel & Smetana, 1984).

She proposes that:

Prop. 15: Correspondence between moral judgment and action is significantly higher where the organizational culture encourages the individual manager to be aware of the consequences of his or her actions and to take responsibility for them.

e. Codes of Ethical Conduct

Research suggests that codes of ethics must correspond to *organizational culture* and be backed up by sanctions to be effective. Trevino notes that codes affect beliefs about right and wrong rather than *behavior,* if not enforced (Weaver & Ferrell, 1977). From this she proposes:

Prop. 16: Codes of ethics will affect un/ethical behavior significantly only if they are consistent with the organizational culture and are enforced.

3. Immediate Job Context

a. Reinforcement Contingencies

"Reinforcement theory posits that individual behavior is a result of its consequences" (p. 613). Thus, Trevino suggests, an organization can influence *behavior* with rewards and punishment, and by making clear which kinds of behavior will earn one or the other. Stated in proposition form:

Prop. 17: Managers' un/ethical behavior will be influenced significantly by reinforcement contingencies.

b. Other External Pressures

"Personal costs and other pressures will have an impact on individual moral behavior" (p. 614; Rest, 1984). So, for example, high personal costs discourage ethical behavior; time pressure obscures the needs of others.

Prop. 18: Managers' ethical behavior will be influenced negatively by external pressures of time, scarce resources, competition, or personal costs.

The moral, for Trevino, is that organizations must "provide a context that supports ethical behavior and discourages unethical behavior" if they want moral behavior, because most people are apparently not capable of reaching the principled level where cognition/behavior consistency is more likely. "[I]t is inappropriate for organizations to rely totally on individual integrity to guide behavior" (p. 614; Boling, 1978).

Table 5: Propositions from the Interactionist Model (Trevino)

I. Cognitions

A. Kohlberg's Model of Cognitive Moral Development

Prop. 1: The large majority of managers reason about work-related ethical dilemmas at the conventional level (stages 3 & 4).

Prop. 2: Managers at the principled moral reasoning level (stages 5 & 6) will exhibit significantly more consistency between moral judgment and moral action than those at lower stages.

Prop. 3: Managers' moral judgments in actual work-related decision situations will be lower (in cognitive moral development stage) than their judgments in response to hypothetical dilemmas.

Prop. 4: Moral judgment development scores will be significantly higher for managers with higher levels of education than for managers with lower levels of education.

Prop. 5: Participants (students or managers) in ethics training programs based on cognitive moral development training strategies will exhibit significant pre-test to post-test increases in moral judgment development scores.

II. Additional Individual Variables

A. Ego Strength

Prop. 6: Managers with high ego strength will exhibit more consistency between moral judgment and moral action than those with low ego strength.

B. Field Dependence

Prop. 7: Field independent managers will exhibit more consistency between moral judgment and moral action than field dependent managers.

C. Locus of Control

Prop. 8: Managers whose locus of control is internal will exhibit more consistency between moral judgment and moral action than managers whose locus of control is external.

III. Situational Variables
Prop. 9:   Conventional level (stages 3 & 4) managers will be most susceptible to situational influences on un/ethical behavior.
Prop. 10: Principled managers will be more likely to resist, attempt to change, or select themselves out of unethical situations.
A. Organizational Culture
1. Normative Structure
Prop 11:   In a culture that has a strong normative structure, there will be more agreement among organizational members about what is appropriate (ethical) or inappropriate (unethical) behavior.
Prop. 12: In a weak culture, organization members are more likely to rely on subculture norms for guidance regarding un/ethical behavior.
2. Referent Others
Prop. 13: Managers' un/ethical behavior will be influenced significantly by the behavior of referent other(s).
3. Obedience to Authority
Prop. 14   Managers' ethical behavior will be influenced significantly by the demands of authority figures.
4. Responsibility for Consequences
Prop. 15: Correspondence between moral judgment and action is significantly higher where the organizational culture encourages the individual manager to be aware of the consequences of his or her actions and to take responsibility for them.
5. Codes of Ethical Conduct
Prop. 16: Codes of ethics will affect un/ethical behavior significantly only if they are consistent with the organizational culture and are enforced.
B. Immediate Job Context
1. Reinforcement Contingencies
Prop. 17: Managers' un/ethical behavior will be influenced significantly by reinforcement contingencies.
2. Other External Pressures
Prop. 18: Managers' ethical behavior will be influenced negatively by external pressures of time, scarce resources, competition, or personal costs.

Summary

In sum, we have seen that Trevino's Person-Situation Interactionist Model for Ethical Decision Making in Organizations posits interaction between individual and situational components to explain ethical decision making in organizations. Her primary contribution to the literature is to highlight the *cognition* stage of moral reasoning along the lines furnished by Lawrence Kohlberg's model of *cognitive moral development.* Trevino discounts the dependability of normative philosophy as a causal variable of behavior, despite adhering to a psychological approach pregnant with modern ethical theory.

While her emphasis on moral cognition adds to our understanding of ethical decision making, Trevino's model is nevertheless subject to several criticisms including that it: ignores the issue of character, or the integrative capacity, of the agent who integrates individual and situational components; requires perception of an ethical dilemma in order to operate; views ethics in business as a negative subject, that is, as one concerned with the avoidance of "bad" behavior; views the feedback, or learning, mechanism in purely cognitive-psychological terms; conceptualizes un/ethical behavior as that which corresponds to sociologically given rules; converts ethics into a subset of psychology, rather than philosophy; identifies an act of the intellect--judgment--with ethical decision making, thus ignoring the decisive moral role of the will; presumes the im/morality of behavior that her model cannot (for want of variables) justify; deletes the importance of intention (of ends) to moral acts; purports to base morality on the rightness of attitudes regarding the rationale for choice when, in fact, the model relies upon generally accepted standards of right and wrong; embodies the very normative philosophy it eschews, and manifests a decidedly deontological tilt; replaces moral virtue with the similar concept of ego strength, which, however, depends upon IQ rather than habit formation (via repetition of acts), and; in short, overemphasizes the "head" at the expense of the "heart."

V. Bommer, Gratto, Gravander & Tuttle's Behavioral Model of Ethical and Unethical Decision Making

Bommer et al. construct a model which links various *environmental* categories, e.g., *social, governmental/legal, work, professional* and *personal*, to *individual attributes,* in order to explain un/ethical behavior via those categories' impact on the mediating structure of the *individual's decision-making process.* This process is conceptualized as a "central processing unit" with its own internal characteristics, such as the individual's cognitive style. The model also attempts to distinguish between the independent variables' *perceived influence* on the decision process and their *actual influence.*

**Figure 4: A Behavioral Model of Ethical/Unethical Decision Making
(Bommer et al.)**
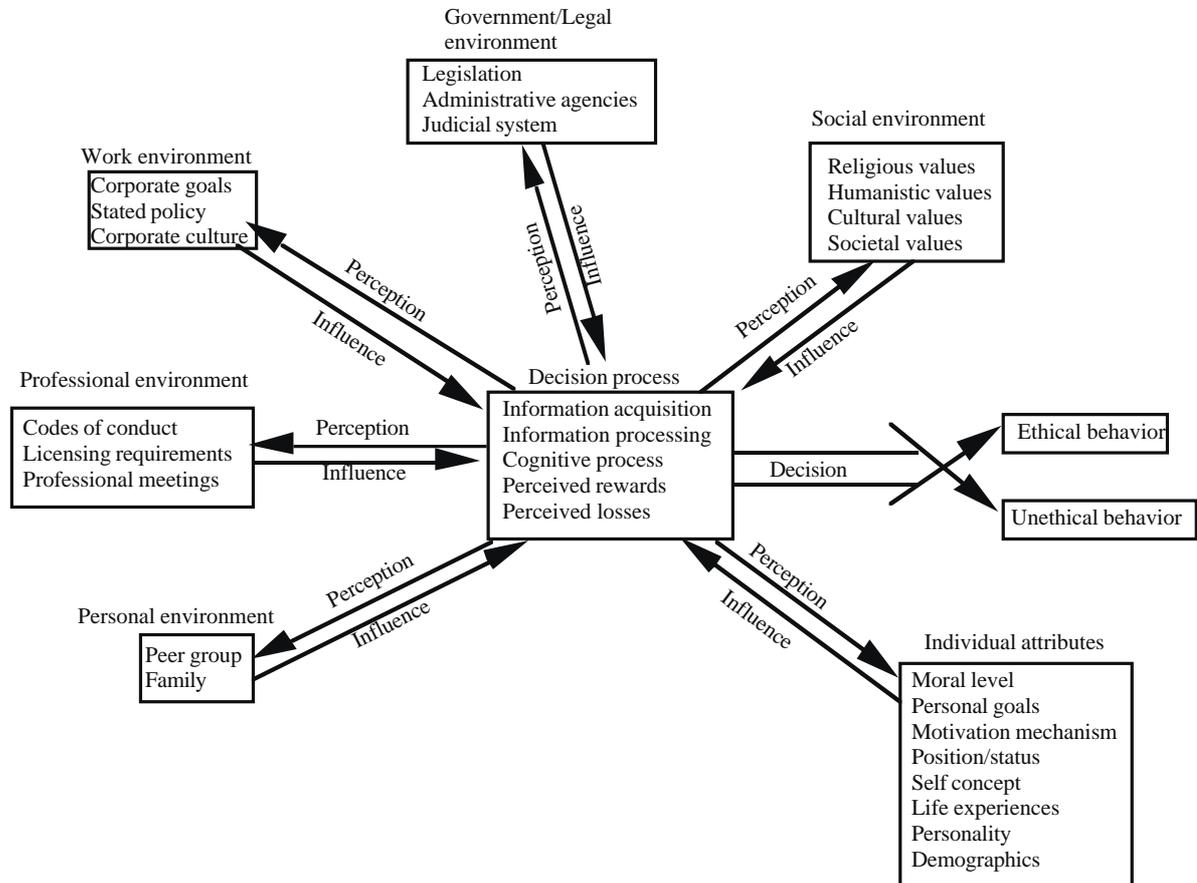
Source: Adapted from Bommer, M., Gratto, C., Gravander, J. & Tuttle M. (1987) A Behavioral Model of
Ethical and Unethical Decision Making. *Journal of Business Ethics,* 6, 266.

A. Concepts and Definitions

While Bommer et al.'s model is not prescriptive, the authors claim something more than mere descriptive status. Their model purports to be an "epidemiological investigation," by which the authors simply mean that they are seeking to identify the causes that influence un/ethical behavior.

The authors maintain that while some causal factors may enter into the decision maker's moral reasoning in a given situation, others do not.

Alluding to a "longstanding tradition in ethics," they define "ethical behavior" as "behavior which is shown to be objectively morally correct via appeal to a theory of morally correct (or permissible, obligatory, desirable, etc.) action, and that is 'ethical' precisely because it is the behavior which is required by that theory" (p. 267). As with all of the preceding and subsequent models, the question of what "ethical" means is sidestepped via reference to externally supplied standards.

In circular fashion, Bommer et al. then allege that the "defining" theory of ethics is that which corresponds to certain ethical behaviors that are so "clearly morally correct that they provide a moral intuition with which any theory must correspond if it is to be considered correct" (p. 267). Naturally, this leads to an infinite regress, as no behavior can be "morally correct" without appeal to a defining theory, and no defining theory can be "correct itself" without recourse to the intuition provided by morally correct behavior.

The authors then define business-*ethical behavior* as that behavior "the correctness of which constitutes the moral intuition in business and the professions" (p. 267). These "litmus test" behaviors in business are those supposedly "identified by experienced managers and professionals as clear and exemplary instances of 'ethical behavior'" (p. 267) and subsequently promulgated by various social bodies, such as the "Values in Business Management Program" at the D.W. Post Center of Long Island University. Unfortunately, this reduces to the contention that ethical behavior in ethics and the professions is what sociological experts tell us it is. Moreover, these agents are also subject to the aforementioned infinite regress.

Bommer et al. distance the proposed influence of their various *environmental* and *individual* factors from a strict behavioralist hypothesis. Thus, while the authors appear to be confused regarding what people choose in *ethical behavior,* they are nevertheless certain that people choose it freely. The influencing factors are assumed to be necessary but not sufficient conditions for explaining moral decision making. These *environmental* and *individual* factors are held simply to establish the context in which action takes place.

1. Social Environment

Bommer et al. define the "social environment of a manager [as] the set of *humanistic, religious, cultural,* and *societal values* generally shared by the members of his or her society, and in particular those values of the society's sub-groupings to which the manager belongs" (p. 268; emphasis added). Citing evidence that managers make decisions within a moral environment provided by the job context (Fairweather, 1980; Cohan & Whitcover, 1980; Vandivier, 1980), the authors suggest that managers appear not to adhere to general social values unless those values are also incorporated into their work environment.

2. Government and Legal Environment

According to the authors, "[l]aws are values and mores of society that have the force of its formal authority" (p. 269). But, they believe, in order to be effective, law must be enforced. Therefore, *legislation, administrative agencies* and the *judicial system* become relevant factors in this environment.

Bommer et al. note that managers might refrain from engaging in law-breaking activity not only to avoid legal consequences, but also because of the social stigma attached to breaking law, and the desire to comply with the moral force behind the law. The significance of this latter force is supported by the low incidence of white-collar crime even though it is generally not actively prosecuted and the rewards for engaging in such activity can be high.

3. Professional Environment

The professional environment of a manager is defined as "the institutionalized professional context within which a manager practices" (p. 270). Institutionalization indicates the existence of *professional associations,* established *licensing* procedures, and *codes of conduct.*

Loss of one's *license* is a powerful deterrent to unethical behavior, the authors contend. Since, however, management is not a licensed profession, this factor exerts an indirect influence through the circumstance that many managers are members of a second profession with *licensing requirements, codes* and standards of its own: for instance, accounting, law or engineering. Professionals exhibit considerable interest in complying with standards set forth in their *professional codes.* Many of these *codes* pertain to managers' *professional associations.* Bommer et al. maintain that over time, professional standards are internalized, thereby exerting considerable implicit influence on managers' behavior.

4. Work Environment

The authors observe that a company's excessive focus on short-term profitability can obviously influence managerial behavior. Additionally, they cite studies which indicate the efficacy of a company's *stated policy* in encouraging ethical behavior (Hegarty & Sims, 1979; Staff, 1979). However, decentralized decision making has been found to correspond inversely to the likelihood of compliance with *stated policy* (Mautz et al., 1979). (This latter study might more profitably be viewed as an indication of the necessity for virtue-related research rather than as a "business ethics" argument against decentralized decision making.)

Corporate culture, which is reflected in the "attitudes and values, management styles and problem-solving behavior of its people" (p. 272; quoting Schwartz & Davis, 1981), also influences managerial behavior. Corporate norms are presumed by the authors to be derived from *corporate culture.* Signals emitted from the conduct of higher-ups, including board directors and CEOs, also influence ethical decision making.

The authors suggest *policies* to monitor compliance with company directives in order to encourage ethical behavior. They, like Ferrell & Gresham, note that the opportunity to act unethically facilitates the occurrence of such acts. Finally, they note the effectiveness of timely, clear and accurate communication, both horizontally and vertically, in reducing the frequency of unethical behavior.

5. Personal Environment

According to Bommer et al., the influence of *family* on ethical professional behavior is underinvestigated, though more has been done regarding the influence of professional life on the *family* (Mortimer, 1980; Donald & Bradshaw, 1981), and of "multiple roles" on individuals (McLean, 1978). Yet a large body of developmental-psychology literature supports the hypothesis that home and peer environment guides moral development (Bandura, 1971, 1977). Moreover, *peer group* pressure has proven to be a significant variable in predicting deviant behavior among adolescents (Grasmick & Green, 1980; Burkett & Jensen, 1975). It is known that both *family* and *peer groups* are important to the socialization of children, which in turn is postulated to be an important determinant of moral thinking (Cohen, 1976; Clausen 1968). The authors hypothesize a continuing (though undocumented) influence into adulthood.

6. Individual Attributes

Research on these factors *(moral level, personal goals, motivation mechanisms, position/status, self concept, life experiences, personality,* and *demographic* variables) tends to reflect the influence of Kohlberg (1969, 1971). This influence presents the problem that "moral development, or reasoning," rather than moral behavior, is usually researched as the dependent variable upon which other attributes are considered to act as independent variables. The authors consider dubious the implicit assumption that "post-conventional" subjects will behave morally.

"Locus of control," which "refers to the degree one relies on oneself (internal) v. others (external) for reinforcement" (p. 273; Rotter, 1966), is another well-researched construct. Maqsud (1980) discovered a significant concentration of "internal" locus of control individuals in the post-conventional (higher-order) level of moral development.

Finally, "motivation orientation" has been studied by Ward & Wilson (1980), who found that "esteem-motivated" individuals tend not to submit to group pressure, and to display a consistent moral posture regardless of the situation they find themselves in.

Figure 5: The Decision Process (Bommer et al.)
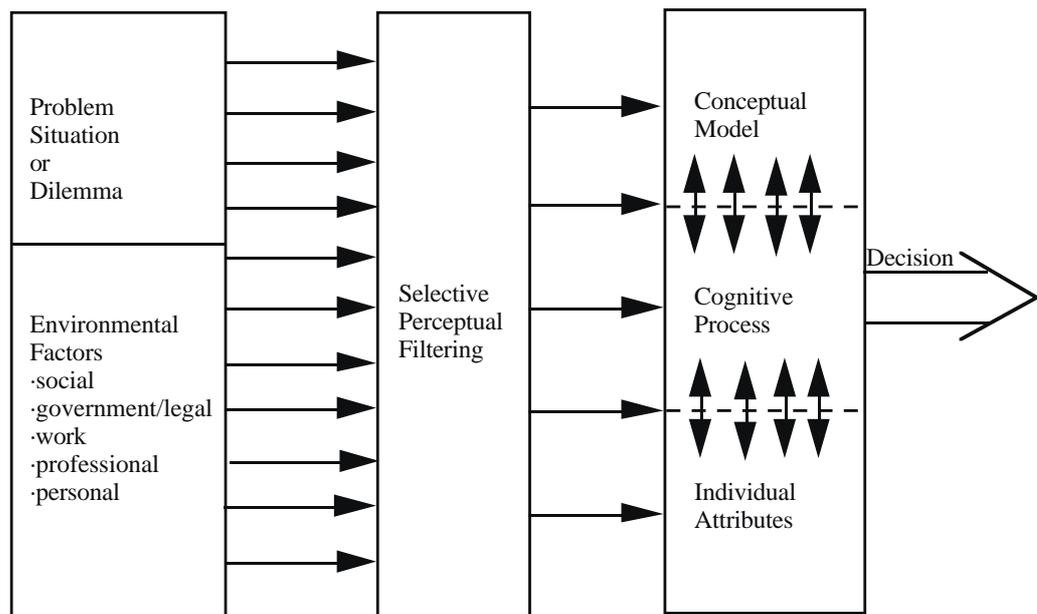
Source: Adapted from Bommer, M., Gratto C., Gravander, J. & Tuttle, M. (1987) A Behavioral Model of Ethical and Unethical Decision Making. *Journal of Business Ethics,* 6, 275.

B. Decision Process

In presenting their view of the rational decision-making process, the authors define rationality as "the best selection of means to achieve an objective consistent with the value system of the decision maker" (p. 274; Steiner et al., 1982). Each step of the rational decision processes--i.e., objectives, alternatives, evaluation, choice, implementation and control--

involves the decision maker's *acquisition* and *processing* of *information* within his *values* system and *cognitive* limits. Moreover, each and every step of the rational decision process involves ethical issues, which requires the manager to draw upon "personal values" and those derived from his "role" in the environments already described. Resolution of the inevitable value conflicts (Carroll, 1975) depends upon the influence exerted by the various *environments.*

Among the *information acquired* and *processed* is *problem-specific information* and *environmentally* gleaned *information.* This data ranges from hard (e.g., *law, policy*) to soft (e.g., *self concept, peer group*), which the manager then synthesizes and analyzes to arrive at a rational solution to a problem. The manager filters input, such as the parameters of the *problem* and the *environmental factors,* in what the authors call a *selective perception process.* "The manager then builds a conceptual model, which goes through an iterative process affected by the individual attributes and mediated by the individual's unique *cognitive process*" (p. 275; emphases added).

With respect to the *conceptual model,* it is a result of people's limited information-processing capacity (Hogarth, 1980), which affects managers' ability to: 1) perceive; 2) process; and 3) retain information in memory. Thus, managers might fail to "select" the relevant information out of a given situation. Moreover, because of limited capacity for simultaneous integration of *information, processing* is usually sequential. This sequencing of *information* might easily bias judgment and limit the proper evaluation of interrelated elements. Finally, limited memory results in limited *information* available for access.

The authors cite Simon (1976) as the origin of the notion that cognitively overwhelmed decision makers construct internal representations or *models* of the situation confronted. New information furnishes occasion to reformulate this model and to further sample *information* from the *environment* in accordance with what "fits" this internal representation. The *model* guides what we perceive, and what we perceive modifies our *model* anew. The fact that our internal representation is not the actual situation limits, or bounds, our ability to make truly rational *decisions:* thus the conception of "bounded rationality." Hence, of essence to the decision-making model proposed by Bommer et al. is that "judgments or choices made reflect not only the structure of the problem situation but also the capabilities and limitations of the decision maker" (p. 276).

The notion of *cognitive style* likewise originates in Simon (1960, p.72), who defines the concept as "the characteristic, self consistent mode of functioning which individuals show in their perception and intellectual activities." *Cognitive style* differs from personality in that it refers to the **way** an individual thinks, as opposed to **what** he thinks (Pratt, 1980).

The impact of *cognitive style* on managerial decision making has been well researched. Among the most cited cognitive measures/dimensions are: 1) Myers-Briggs Type Indicator (Myers, 1962); 2) Witkin's Embedded Figures Test (Witkin et al., 1971); 3) Cognitive Complexity (Bierie et al., 1966); and 4) Tolerance of Ambiguity (Budner, 1962). The Myers-Briggs Indicator is based on Jung's theory of type and assesses behavior differences through the individuals' perception and judgment. Witkin's Embedded Figures test assizes "field dependence" and "field independence" (i.e., whether one relies more on external--dependent--or internal--independent--referents for *behavior.* Cognitive complexity assesses the ability to evaluate multiple dimensions of a *problem.* Budner's scale for Tolerance-Intolerance of Ambiguity assesses just that capability.

By way of summarizing, the authors note that the confluence of one's *conceptual model, cognitive style* and the *individual attributes* described earlier ensures that "[a]ctions become consistent with the internal cognitive process of an individual which is shaped by these many forces rather than by the reality of the problem situation" (p. 276).

Finally, the perceived consequences and risks involved, and the potential use of various decision tools/aids, such as computer models and rules of thumb, are further posited to influence *ethical decision making.*

Summary

In sum, we have seen that Bommer, Gratto, Gravander & Tuttle's Behavioral Model of Ethical and Unethical Decision Making posits un/ethical behavior to arise from an environmentally and individually conditioned decision process. Their primary contribution to the literature is to distinguish a number of relevant environmental categories-- government/legal, social, work, professional and personal--and highlight the importance of each decision maker's own cognitive model. They are mostly to be appreciated, however, for unwittingly demonstrating the incoherence of presuming behavior to be un/ethical merely because "experts" say it is.

While their elaboration of environmental variables adds to our understanding of ethical decision making, Bommer et al.'s model is nevertheless subject to several criticisms including that it: defines ethical behavior and ethical theory circularly, and thus falls prey to infinite regress at the outset; presumes that business-ethical behavior is what the "experts" tell us it is; views learning as a purely cognitive concept, and; makes ethics a purely psycho-sociological enterprise.

VI. Dubinsky & Loken's Analysis of Ethical Decision Making in Marketing

Drawing heavily on Fishbein & Ajzen's Theory of Reasoned Action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975; Fishbein, 1979), Dubinsky & Loken construct a social-psychology framework for analyzing ethical decision making in marketing. In brief, Dubinsky & Loken's model reduces to explaining/predicting behavior on the basis of what a decision maker intends, given whether he thinks engaging in certain behavior is good or bad- -which depends on what he thinks the likelihood and goodness of the consequences are--and whether he thinks people important to him favor his engaging in the contemplated behavior-- which depends, in turn, on what he thinks they want him to do and how much he cares to do what he thinks they want. On that basis, they demonstrate themselves to be strict consequentialists.

A. Overview of the Theory

"The theory of reasoned action assumes that individuals are usually rational, they utilize information that is available to them when deciding to engage in a given behavior, and their behavior is under volitional control" (p. 84). I note outright that Dubinsky & Loken's discussion of volitional control excludes mention of virtue. In Ajzen & Fishbein's words:

[T]he theory is based on the assumption that human beings are usually quite rational and make systematic use of information available to them. We do not subscribe to the view that human social behavior is controlled by unconscious motives or overpowering desires, nor do we believe that it can be characterized as capricious or thoughtless. Rather, we argue that people consider the implications of their actions before they decide to engage or not engage in a given behavior" (1980: p. 5).

Figure 6: Model for Analyzing Ethical Decision Making in Marketing (Dubinsky & Loken)
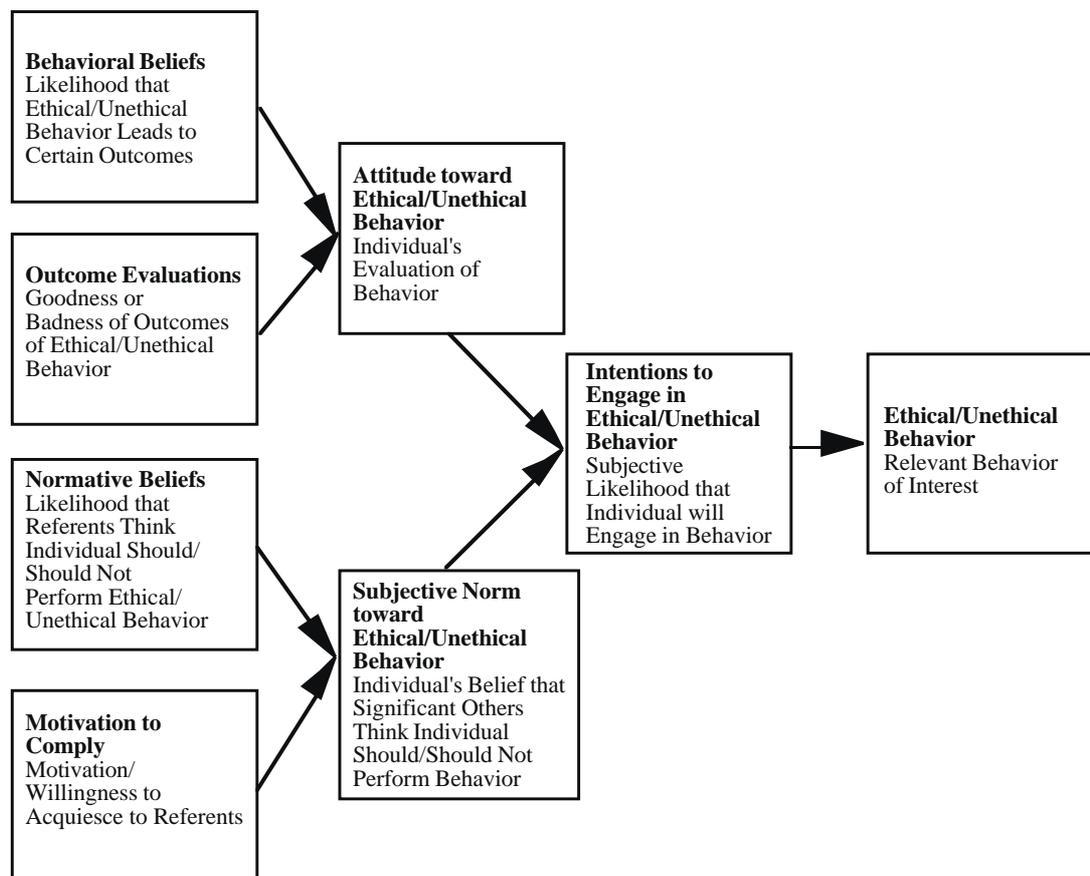
Source: Adapted from Dubinsky, A. J. & Loken, B. (1989) Analyzing Ethical Decision Making in Marketing. *Journal of Business Research,* 19, 86.

Table 6: Components of the Analysis-Theory Model (Dubinsky & Loken)

I. Intention *(BI)*	The individual's subjective probability that he or she will engage in the behavior.
Determinants of Intentions	A person's intention is determined by one or both of two components: 1) one's *attitude toward the behavior* of interest; and 2) *subjective norm:* $$BI \sim w_1 A_B + w_2 SN$$
I.A. Attitude toward the Behavior (A_B)	Refers to an individual's judgment concerning whether engaging in a certain behavior is good or bad.
Determinants of Attitude toward Behavior	An individual's attitude toward a given behavior is a function of his or her salient *behavioral beliefs* weighted by *outcome evaluations:* $$A_B = \sum_{i=1}^{n} b_i e_i$$
I.A.1. Behavioral Beliefs (b_i)	A person's salient beliefs that performing a given behavior will lead to certain outcomes (or consequences) that may be positive or negative.
I.A.2. Outcome Evaluations (e_i)	An individual's assessment about whether each outcome generated from the behavior of interest is good or bad.
I.B. Subjective Norm *(SN)*	Refers to one's perception of whether others important to the individual (such as management, coworkers, family) think he or she should or should not engage in a given behavior.
Determinants of Subjective Norm	Subjective norm is determined by a person's *normative beliefs* weighted by *motivation to comply* with specific referents: $$SN = \sum_{i=1}^{n} Nb_i Mc_i$$
I.B.1. Normative Beliefs (Nb_i)	One's beliefs that certain individuals, groups, or institutions (i.e., salient referents or "important others") think he or she should perform a given behavior.
I.B.2. Motivation to Comply (Mc_i)	The motivation, or willingness, of an individual to adhere to what he or she believes important referents want him or her to do.

B. Components of the Theory

The primary goal of this theory is to predict and understand an individual's behavior, or, more specifically, *un/ethical behavior.*

Intention, defined as "the individual's subjective probability that he or she will engage in the behavior" (p. 85), is postulated as the "immediate determinant" of *un/ethical behavior* (emphasis added). Note that, like Hunt & Vitell, Dubinsky & Loken simply defer the problem of converting a subjective probability into actual behavior. They themselves note that their usage of the term *intention* is consistent with that proposed by Hunt & Vitell (1986) but differs from that postulated by Ferrell & Gresham (1985), who conceptualize it as merely an "individual contingency" denoting an "underlying purpose," or cause, for engaging in behavior. *Intentions,* in turn, are conceptualized as a function of *attitude toward behavior* and *subjective norm.*

Generally, the more a person thinks that: 1) engaging in certain behavior is good (*attitude towards behavior*), and; 2) people important to him also think it is (*subjective norm*), the more likely he is to engage in that behavior. The respective weight an individual places on either the *attitude toward behavior* or the *subjective norm* varies with particular ethical behaviors and/or subgroup populations. Thus, once again like Hunt & Vitell, Dubinsky & Loken prefigure Jones' "Issue-Contingent" model.

Attitude Towards Behavior addresses the question of whether the decision-making individual judges engaging in the relevant behavior to be good or bad. Simply put: the more favorable his evaluation, the more likely he is to engage in it. An individual's *attitude towards behavior* is, in turn, a function of his *behavioral beliefs* and *outcome evaluations.*

Behavioral Beliefs reflects a person's belief or confidence that certain outcomes, or consequences, will ensue from the contemplated behavior.

Outcome Evaluations reflects the individual's assessment of whether the expected consequences are good or bad.

Generally, with respect to *behavioral beliefs* and *outcome evaluations,* the more certain an individual is that mostly positive consequences will follow from performance of the contemplated behavior, the more likely it is that he will engage in it.

The authors note that *attitude* has not previously been empirically researched or conceptualized, though, as we have seen, Ferrell & Gresham treat "attitude" as an "individual contingency" in ethical decision making. Moreover, while Ferrell & Gresham and Hunt & Vitell each propose (through reference to teleological analysis) that "outcomes" directly influence decisions of whether or not to engage in behavior, Dubinsky & Loken's approach differs insofar as "it posits that evaluating the outcomes of a particular behavior directly affects one's attitude toward the behavior but only *indirectly* influences actual performance of the behavior" (p. 88).

The *Subjective Norm* construct captures the perception of an individual regarding whether people important to him think he should engage in certain behavior. They more he believes they approve, the more likely he is to engage in the behavior. *Subjective norm,* in turn, is a function of the individual's *normative beliefs* and *motivation to comply.*

Normative Beliefs refers to the individual's perception of whether his "salient referents" are likely to think he should engage in the behavior.

Motivation to Comply refers to the individual's motivation/willingness to do what he thinks his "salient referents" think he should. One might perhaps consider this a measure of just how "salient" an individual's referents are.

All of the other models surveyed incorporate *significant others* to one extent or another, and, as noted, several studies indicate their importance to ethical decision making. Dubinsky & Loken conceptualize the influence of *significant others* differently insofar as they add the wrinkle of the decision maker's viewing their influence through his own *perceptions*. Moreover, *motivation to comply* has not been specifically examined in other models.

C. Advantages of the Proposed Model

Dubinsky & Loken consider their model to possess significant advantages over others. First, it is testable and uses previously developed measures and "operationalizations" (Ajzen & Fishbein, 1980). Furthermore, the theory of reasoned action underlying the model has successfully been shown to predict *intention* and *behavior* elsewhere, for instance in consumer decision making (Sheppard et al., 1988). Their theory also permits the understanding of *ethical behaviors* using relatively few variables, rather than what they consider to be so few as to be potentially useless (Fritzche, 1985; Zey-Ferrell et al., 1979; Zey-Ferrell & Ferrell, 1982) or so many as to potentially impede testing (Bartells, 1967; Ferrell & Gresham, 1985).

Furthermore, the authors consider it a crucial advantage that their model doesn't necessitate the individual to perceive an ethical issue and thereby trigger normative evaluation. "[T]he cognitive components underlying behavior in the theory of reasoned action are considered independently of whether the behavior is perceived as ethical or unethical" (p. 89). Dubinsky & Loken propose to "understand the determinants of particular ethical/unethical behaviors for which the ethical content is not necessarily salient to respondents" (p. 90). It should be noted that while it is all to the good that they expand the realm of relevance to include all behaviors, their model, like all the others, is also dependent on external, given standards by which that behavior is to be judged ethical.

D. Research

Using a questionnaire for field sales personnel, they investigated three sales-related *behaviors:* 1) providing free entertainment to a purchaser, such as, lunch, dinners and trips; 2) giving physical (material) gifts to a purchaser; and 3) making exaggerated statements about the purchaser's problems in order to get bigger orders. The authors comment that they selected these behaviors because "they represent considerable variability in the perceived ethical content by the population tested" (p. 91; Dubinsky et al., 1980). They then asked, in order to determine *intention,* how likely the salesperson would be to engage in the *behavior* on a 7-point (+3 to -3) scale. Similarly scaled questions relating to the other constructs were also asked, such as, did they think the behavior was good or bad.

Table 7: Analysis-Theory Model Outcomes (Dubinsky & Loken)

Sample Outcomes/Consequences of Posited Behavior
1. Is cost efficient (i.e., it is [not] a waste of money)
2. Helps me get the purchaser's business
3. Gets me to know the purchaser better as a person
4. Is a sign to purchaser that I am willing to go an "extra mile" for the purchaser
5. Does not allow my products/services to be sold on their own merits
6. Is suggestive of bribery
7. Eliminates interruptions in the purchaser's office
8. Is hypocritical if I don't want to spend time with the purchaser
9: Is an expression of gratitude for the buyer's past business
10. Results in the purchaser's expecting free "perks" in the future or else s/he won't buy from me
11. Allows me to get more information from the buyer
12. May offend the purchaser

Table 8: Analysis-Theory Model Referents (Dubinsky & Loken)

Sample Referents
1. My customers
2. My friends
3. My competitors
4. The legal system
5. I [Me]
6. Society
7. Company policy in my firm
8. My family
9. Top management in my company
10. Professional selling clubs/organizations
11. My immediate sales supervisor
12. Management in the buyer's company
13. Other salespeople in my company

1. Results

Intention for each of the three *behaviors* was well predicted. Salesmen's *attitudes* and *subjective norms* were significant predictors of *intentions*. The *behavioral beliefs-- outcome evaluations* component was significantly related to attitude across all three *behaviors*. Similarly, the *normative beliefs--motivation to comply* component was significantly related to *subjective norm* across all three *behaviors*.

Contrary to expectations, the *behavioral beliefs--outcome evaluations* component showed a significant partial-correlation with *behavioral intention* across all three *behaviors*. The *normative beliefs--motivation to comply* component did likewise only for the first *behavior*. For the authors, "[t]hese findings suggest that behavioral beliefs, outcome evaluations, normative beliefs, and motivations to comply explain additional variance in intentions over and above that explained by attitudes and subjective norms" (p. 94).

2. Discussion

To the authors' minds, the study indicates that their model specifically includes variables relevant to ethical decision making that other models don't, such as: 1) *behavioral intention;* 2) *attitude toward the behavior;* 3) perceived social influence to perform certain *behavior;* 4) *behavioral beliefs;* 5) evaluation of *outcomes;* 6) *normative beliefs;* and 7) *motivation to comply.*

But one wonders what the study really accomplishes. We now know with great exactitude that a salesman who *intends* to give a gift to a client, will so *intend* if he thinks giving it is good--which means he thinks *consequences* favorable to him are likely to follow- -and if he thinks people important to him think he should give it--which means he thinks they probably think he should give it and he's willing to oblige them. We further know that whether or not he thinks giving the gift is good and whether or not he thinks people important to him think he should give it, he'll *intend* giving it anyway if he thinks good consequences are likely to follow *or* that people important to him, whom he's willing to oblige, probably think he should. I am tempted simply to ask what it all has to do with ethics.

E. Limitations of the Study

According to the authors, the substantial unexplained variance in ethical decision making indicates the likelihood of other non-included variables that influence *intentions* to engage in *behavior.* Moreover, unpredicted alternate paths were also supported by the research, for instance, direct paths between the *behavioral beliefs-outcome evaluations* component and *intentions.* Finally, validation of their model relied on **correlation** data, while the theory of reasoned action assumes **causal** relationships among the variables tested.

F. Implications for Practitioners

The authors suggest that salesmen's/employees' attitudes towards performing *unethical behavior* and *subjective norms* could be influenced by affecting the antecedents of those components: *behavioral beliefs* and *outcome evaluations; normative beliefs and motivations to comply.* So, for example, management can sanction previously condoned *behavior*, changing the consequences and subsequent evaluations. Management might also identify marketers' salient referents and point out their expectations.

Summary

In sum, we have seen that Dubinsky & Loken's Analysis of Ethical Decision Making in Marketing posits un/ethical behavior to be a function of an individual's evaluation of: 1) the behavior's consequences, and; 2) significant others' evaluation of the behavior itself. Their primary contribution to the literature is to incorporate Fishbein & Ajzen's *Theory of Reasoned Action* (which highlights the importance of an act's perceived consequences) into an ethical decision-making model. They are able to bypass a decision maker's recognition of his decision's ethical component, but only at the cost of attenuating the ethical component of their model. Despite the model's elaborate foliage, it yields little fruit.

While their emphasis on a decision maker's perceptions adds to our understanding of ethical decision making, Dubinsky & Loken's model is nevertheless subject to several criticisms including that it: predicates morality solely on the basis of behavior's consequences, and is therefore strictly consequentialist; posits volition without considering virtue; mistakenly identifies *intention* as a subjective probability, or likelihood; places altogether too much importance on what an agent perceives, to the exclusion of what he does; is dependent upon the external evaluation of behavior; provides trivial information that appears to be only tenuously related to ethics, and; fails, despite excruciating complexity, to provide the mathematical certitude it aims at due to their finding only correlation when they posit causation.

VII. Ferrell, Gresham & Fraedrick's Synthesis of Ethical Decision Models for Marketing

The authors intend this model to combine the best of two ethical decision-making models, Ferrell & Gresham's "Contingency Framework" and Hunt & Vitell's "General Theory." Moreover, they seek to incorporate Kohlberg's theory of moral development. Thus, their "Synthesis" combines both "cognitive-affect" variables--that is, those relating to internal moral value structure constructs--and "social learning" variables--that is, those relating to external constructs such as environment, peers and the situation.

Ferrell, Gresham & Fraedrich's article begins with an observation about the relationship between ethics and trust. In the words of one CEO:

It's because of that need to balance the interests of various constituencies that business ethics is so vitally important. Ethics is simply and ultimately a matter of trust. People act in their economic self-interest. But a system based on that fact must also be grounded on mutual trust, among individuals and among organizations. A

buyer needs to trust a manufacturer, a lender needs to trust a borrower, and so on (p. 55; Loucks 1987).

The authors conclude that: "ethical standards and practices that establish trust are necessary to the conduct of business at both the macro and micro level. Without trust, relationships do not develop, and the exchange process ceases" (Ferrell et al., p. 55).

In a familiar refrain, the authors slight normative guidelines of behavior for apparently providing no insight into the decision processes "preceding and determining behavior..." (p. 56). Alternatively, they note that positive models "suggest mechanisms for altering behavior to conform to normative guidelines" (p. 56). Positive models, they contend, through their proposed descriptions of ethical decision making, can lay the foundation for normative models of ethical behavior. They believe that the development and testing of behavior against normative models must take place in conjunction with the development of positive models.

A. Ethics Defined

Linking various definitions, the authors define ethics as "the study and philosophy of human conduct with an emphasis on the determination of right and wrong" (p. 56). Note their use of the word "ethics" to denote "conduct" as opposed to the "situation," which it referred to in Ferrell & Gresham's earlier work (1985).

B. Moral Philosophies

The authors contend that rules constitute a "major construct" in the ethical decision-making process. They consider that notions of obligation and duty, right and wrong, come from rules and maxims, which are themselves defined by society's mores, one's work place/organization and one's significant others (Barry, 1979; Bowie, 1982; Cressey & Moore, 1983; DeGeorge, 1982; Dubinsky & Levy, 1985; Fasching, 1981; Luegenbiehl, 1983; O'Donnell, 1982; Purcell, 1982; Velasquez, 1982; White & Montgomery, 1980; Williams, 1982). Hence, the authors make explicit their belief that the terminus of ethical judgment is sociological. The authors continue that these sources result in the "formulation of ethical prescriptions" (p. 56), which, taken together, become philosophical ethical theories. If one knows the moral philosophy/system that an individual is grounded in, one has insight into the rules and maxims he will bring to bear on his decision making, and thus, into how he will behave. Therefore, moral philosophies provide a basis for prediction.

Ferrell et al. repeat Ferrell & Gresham's claim that standards embedded in moral philosophies judge the act, intention and consequences of behavior. These standards are "social learning" devices used to socialize individuals in the family, the work group, formal education and corporate culture (Frederick & Weber, 1987).

The authors assume the conventional (for business ethics) categories of deontology and teleology to encompass all moral theories (Beauchamp & Bowie, 1979; Frankena, 1963; Robin, 1980; Ross, 1930), with teleology referring to the moral worth of the consequences of particular behavior, and deontology to the moral obligations and commitments binding all such conduct.

Variations of teleology include: 1) utilitarianism (i.e., greatest good for the greatest number); and 2) egoism (i.e., greatest good for the individual). Curiously, in noting that Machiavellianism is a value-oriented form of egoism, the authors state that Machiavellian decision makers are egotistical "in **nature**" (p. 57; emphasis added), which permits them to achieve personal objectives opportunistically and exploitively without suffering remorse. It is the first and only mention of human nature in the entire literature reviewed.

Rights and justice are presumed to be deontologically based. "Fundamental to the dogma of deontological theories is the inherent rightness of the behavior where the focal point is the individual, not society" (p. 57). Examples alluded to include Kant's Categorical Imperative, the unattributed "Golden Rule" and rules inherent in all the world's major religions.

C. Ethical Decision Models

According to Ferrell et al., "[m]arketers need to know how employees acquire their moral philosophies and how these may be altered to ensure that ethical behavior within the organization will be in line with management objectives" (p. 57). Their outlook here seems debatable on several grounds. First, as mentioned previously, since all of these models are sociological in focus with respect to their conception of ethics, their purpose ultimately reduces to the provision of mechanisms for mind control and manipulation. One might quarrel with whether that is, in fact, an ethical posture. Secondly, a more fruitful endeavor might be to align management objectives with the requirements of ethics rather than to seek ways of altering employees' moral philosophies. Finally, their approach bypasses personal freedom and the importance of helping people acquire interior mechanisms for altering themselves.

The various integrated components of the theory are thought to make unique contributions to the synthesis. Kohlberg's work teaches that similar situations will yield different behavior because the individuals involved are in different stages of cognitive moral development. Cognitive development theory "argues that, through moral development, managers will change their values, which in turn modifies their behavior" (p. 58). In Ferrell & Gresham's earlier model (1985), the first-order interaction is between the ethical situation and various individual factors, significant others and opportunity. It is based on the theory of social learning, that is, differential association and role-set relations (Sutherland & Cressey, 1970). As in Kohlberg's model, the environment is presumed to play a large part in ethical decision making. Hunt & Vitell's (1986) model explains the cognitive role of moral philosophy in ethical decision making. The model is applied once an individual recognizes moral content in a situation. Hunt & Vitell also postulate an intervening variable between normative philosophy and behavior, namely, intention, defined as the probability that any particular alternative will be chosen. Actual consequences feed back into personal experiences, thereby influencing future decision making. The authors consider that Hunt & Vitell's model follows the basic tenets of Fishbein & Ajzen's theory of reasoned action.

D. A Synthesis of Models

Figure 7: A Synthesis-Integrated Model of Ethical Decision Making in Business
(Ferrell, Gresham & Fraedrich)
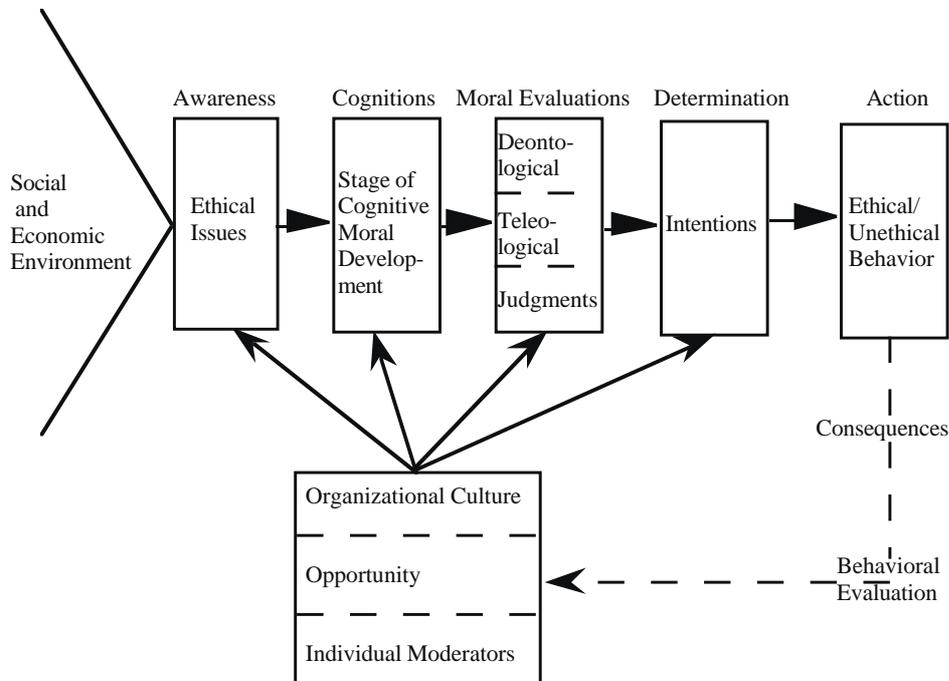
Source: Adapted from Ferrell, O.C., Gresham, L.G. & Fraedrich, J. (1989) A Synthesis of Ethical Decision Models for Marketing. *Journal of Macromarketing,* Fall, 60.

The authors consider their proposal to be a "state-of-the-art" synthesis rather than a new model, since it draws on well-established precedents. Hunt & Vitell add the "micro aspects" of individual cognitive decision processes insofar as *deontology* and *teleology* inform the individual's decision making. Ferrell & Gresham add a "macro orientation," including variables such as *organizational culture* and its component concepts: *significant others* and *opportunity*

A basic decision-making paradigm is assumed, moving from: 1) problem (ethical issue) recognition; to 2) alternative search; to 3) evaluation; to 4) choice; and, finally; to 5) outcome. Kohlberg's model of *cognitive moral development* (1969) is expected to be helpful with respect to stages 1) and 2) of the decision-making process. A person at the "principled level" of moral reasoning is presumed more likely to recognize moral issues and generate moral alternatives. Likewise, Ferrell & Gresham consider that social learning affects the evaluation of un/ethical behavior, which "could influence the delineation of future ethical issues" (p. 61). The *moral evaluation* stage is thought to be best explained by Hunt & Vitell's in-depth work regarding the influence of moral philosophies. *Evaluation* is followed by a choice/determination that Ferrell & Gresham and Hunt & Vitell ascribe to *intentions.* Following Fishbein & Ajzen (1975), the authors maintain that "a person's intention to perform a behavior is its immediate determinant. Intention is the individual's subjective probability of behavior engagement" (Ferrell et al., p. 61).

Organizational Culture--described as "the prevailing normative structure, referent others, obedience to authority, and responsibility for consequences, [including] symbols and informal understanding about appropriate behavior" (p. 61)--precedes the outcome and impacts the decision sequence in all of its components: *awareness* (recognition), *cognitions* (alternative search), *evaluation* and *determination* (choice). This *culture* represents the organizational context in which managers make decisions, and consists of significant others, the "effect of differential association and an individual's role-set configuration within the organization" (p. 61).

Opportunity is posited to be a component of *organizational culture.* As stated in Ferrell & Gresham's original piece, it can be limited by professional codes, corporate policy and appropriate sanctions. Finally, *individual moderators* are considered to be important, without great elaboration. It should be remembered that Ferrell & Gresham's previous model listed *intentions* among the *individual moderators.* They do not account for their inconsistent, duplicate reference to the intention construct.

In sum:

> once the situation has been labeled an ethical issue, the individual's moral system begins to sift through the available information in accordance with his or her personal moral system. An individual moral philosophies [sic] in turn will yield possible acceptable alternatives. Each of these is assigned consequences, which result in intentions, and the individual chooses a behavior. Consequences are affixed to the behavior by the individual, organization, and society; they may be positive or negative....From these consequences, the individual evaluates the actions taken and may modify behavior when the same type of situation occurs again. (p. 62).

E. Justification for Synthesis-Model Components

The authors justify their effort on the following basis. Ferrell & Gresham's framework highlights social learning elements but not component analysis of the moral evaluation stage of decision making. It also omits *intention* as an intervening stage between *evaluation* and *behavior.* Furthermore, it segregates the constructs of *significant others* and *opportunity,* which can be more beneficially aggregated in an *organizational culture* construct. Finally, it does not incorporate a *moral development process.* On the other hand, Hunt & Vitell's model diminishes the macro-elements of ethical decision making, focusing primarily on the micro-aspects of an individual's cognitive decision processes.

Ferrell et al. incorporate Kohlberg's theory of *cognitive moral development* because their sociological view of ethics obscures the full import of a feedback mechanism: that is, that choice feeds back to shape character, which in turn influences the exercise of freedom in subsequent choices.

In passing the authors note that two frameworks incorporated in their model, "cognition-affect behavior and learning (social learning) theory" (p. 62), have historically conflicted, but that ethical decision-making models contain elements of both. Perhaps this underscores the unique synthesizing capability of ethical decision-making models generally.

F. Future Research

Table 9: Propositions from the Synthesis-Integrated Model (Ferrell et al.)

Proposed Research Propositions
1. The *corporate culture,* including bureaucratic structure, behavior of *significant others,* and *opportunity* to engage in unethical behavior, is a predictor of ethical decision making.
2. The *cognitive moral development stage* of an individual manager is a predictor of ethical decision making.
3. Situational constraints, such as work and nonwork environments, will affect the individual manager's cognitive processes in selecting *moral philosophies* in ethical decision making.
4. *Consequences* and *intentions* related to expected outcomes will affect the cognitive processes in selecting moral philosophies in ethical decision making.

Ferrell et al. close by noting the important possibility that the job itself, and organizational characteristics, can negatively impact or reverse personal moral development. "Individuals who continually must deviate from their personal moral philosophy to satisfy corporate policies and objectives are likely to become cynical and alienated from the organization" (p. 63). The challenge for the authors, I believe, is to formalize the relationships between policies, alienation and the variable they began their article with: trust.

Summary

In sum, we have seen that Ferrell, Gresham & Fraedrich's Synthesis of Ethical Decision Models for Marketing posits that ethical decision making is affected by both internal and external variables, which they attempt to formalize by combining cognitive-affect and social learning theory. Their primary contribution to the literature is to synthesize the Ferrell & Gresham Contingency Model with Hunt & Vitell's General Theory, adding elements from Kohlberg's theory of moral development. Their article is noteworthy for an offhand reference to human nature, though they fail to explore its ramifications for ethical decision making.

While their integration of existing models adds to our understanding of ethical decision making, Ferrell et al.'s model is nevertheless subject to several criticisms including that it: mistakenly assumes that morality is sociologically determined; focuses exclusively and merely on the "social learning" function of standards (as opposed to their relation to the "learner"), thereby highlighting the authors' belief that morality is socially given; reduces all moral theory to teleological or deontological categories; aims to align individuals' moral philosophies with organizational objectives without consideration of whether those objectives are themselves moral; seeks to circumvent human freedom for the purpose of external control

rather than to instruct it for the purpose of developing self-control; mistakenly defines intention as a likelihood; inconsistently posits intentions to be both an individual moderator (contingency) and an intervening stage in the decision sequence between evaluation and choice; necessitates the identification of an issue as being ethical in order to operate, and; is blind to character and the full significance of feedback due to its sociological view of ethics.

VIII. Wotruba's Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations

Wotruba's model, like all of the others surveyed, purports to explain the structure or process yielding ethical actions in order to know how to reinforce ethical behavior and overcome unethical behavior. Again, as with all of them, he assumes that what is un/ethical is given. Also in common with the other models, Wotruba attempts to organize variables and provide a common framework or conceptual base in order to integrate results from individual studies and to guide further research. The model is meant to identify the components influencing ethical decision making and explain their interrelations. Wotruba focuses specifically on sales organizations (unlike Ferrell & Gresham (1985); Hunt & Vitell (1986); Dubinsky & Loken (1989); and Ferrell, Gresham & Fraedrich (1989) who focus generally on marketing) but believes that his model "can apply to persons in sales organizations as well as many other organizational positions..." (p. 30).

While recognizing the contribution of other authors in the literature, he nevertheless criticizes other proposed models on several bases. Ferrell & Gresham's (1985) original contingency framework dwells excessively on contingency factors to the neglect of the decision-making process itself. Hunt & Vitell's (1986) general theory omits an exploration of the interrelationships between its many variables. Both of these frameworks allegedly lack integration that would increase their diagnostic and problem-solving utility. Trevino's (1986) Kohlberg-dependent, person-situation interactionist model doesn't incorporate decision outcomes and their influence on decision-making processes. Finally, Bommer et al.'s (1987) behavioral model also neglects outcomes and their effect on subsequent decision making.

Of interest is the fact that in Wotruba's preliminary remarks about the importance of ethics to organizations, he approvingly cites Manning's (1981) argument that ethics has a bearing on physical and mental health, and on professional fulfillment. "[T]he optimal personal and professional development of the manager cannot be achieved without the full maturation of conscience" (Manning, p. 28). Though Wotruba doesn't follow up on it, this mention of "conscience" is the first reference to it in the literature.

A. The Ethical Decision/Action Process

Figure 8: The Ethical Decision/Action Process--EDAP (Wotruba)
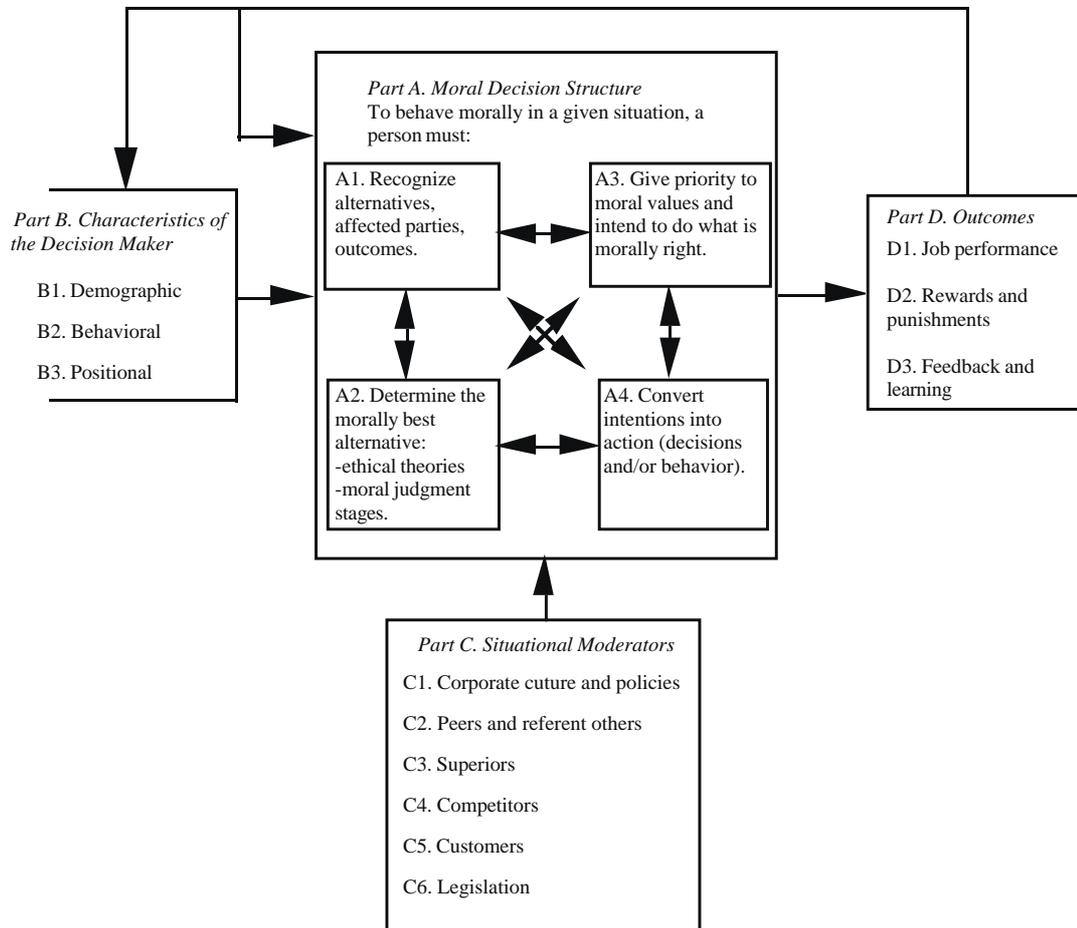
Source: Wotruba, T. R. (1990) A Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations. *Journal of Personal Selling & Sales Management,* X (Spring), 31.

1. Moral Decision Structure

Wotruba bases his work on Rest's (1986) Four-Component Model of Moral Behavior, which "specifies that the structure of moral decision making ... involves 4 major kinds of psychological processes" (p. 31). These psychological processes generally occur in sequence, but can also influence each other out of sequence. Roughly speaking, they are: 1) *recognition;* 2) *moral alternatives* generation and choice; 3) value assignation and *intention* formation; and 4) *action* (*decision*) *or behavior*. Stated negatively, a "failure to act morally can occur if a person: 1) is insensitive to the others involved and to the consequences of the action to them; 2) is deficient in determining the morally best alternative; 3) has other values which conflict with and take priority over moral values; and/or 4) fails to convert a morally proper intention into action" (p. 31-32).

Rest and, consequently, Wotruba explicitly acknowledge that *decision* is action, whereas the other authors in this literature do not. The question remains: "Action of what?" The answer, naturally, is that decision is an action of the ***will,*** which also bestows moral significance on *intention.* As noted earlier, a basic deficiency of all these descriptive models is their general non-consideration of anthropological issues aside from those of cognition, which generally results in their failure to factor in variables such as will, freedom and virtue.

The first component of *moral decision structure* entails the ability to recognize *alternatives, affected parties* and *outcomes*. It consists of an "ethical situation analysis" involving: 1) "cognitive complexity" (Bierie et al., 1966), that is, "the ability to evaluate multiple aspects of a problem situation" (Wotruba, 1990: p. 32); and 2) "empathy," that is, sensitivity to the consequences of acts on others (Schwartz, 1977). Those with greater ethical sensitivity are considered to perceive more opportunities for unethical *behavior*. "Component 1 involves an ethical sensitivity process, producing the evoked set of possible outcomes which may or may not include some that are ethically questionable" (p. 32). Wotruba notes that cognitive complexity and empathy are part of the "Behavioral Characteristics" included in Part B of the model.

The author proceeds by listing a taxonomy of marketing transgressions. Chonko & Hunt (1985) identified several "ethical problem areas" for sales organizations, such as "bribery, fairness, honesty, personnel, confidentiality, puffery, manipulation of data, conflicts of interest, and goal setting" (p. 32). Based on that list, Wotruba proposes the following affected parties: customers, competitors, regulatory agencies, trade associations, supervisors, higher management, peers and outside interested parties (such as students, job applicants, researchers and reporters, as well as immediate family members). By and large, these "stakeholders" become the "Situational Moderators" listed in Part C of the model.

Unfortunately, since this component measures ethical sensitivity, the usual procedure is to identify ethical problem areas. The presumption is that the larger the list, the more sensitive one will be. The same holds true with respect to parties affected. The longer the list of possible "stakeholders," the more sensitive decision makers can be to them. Wotruba notes that "a complete taxonomy of ethical situations, affected parties, and outcomes has yet to be devised" (p. 32). Presumably, the development of this meta-list would constitute a major advance. But the notion of a total taxonomy is problematic for several reasons including the impossibility of foreseeing all of an act's consequences. One advantage of an anthropological approach that would restore the significance of the ***will*** is that it would recognize every decision that poses an alternative between goods to be ethically relevant. One would be ethically sensitive with respect to every decision, sparing theorists the need to draw up a potentially infinite inventory.

The second component of the *moral decision structure* involves the choice of the "morally correct" alternative. "Component 2 is the operative part of this framework in guiding someone to judge whether a particular action is ethical or unethical" (p. 33). Wotruba vehemently rejects "impos[ition of] a standard of right and wrong" (p. 32), as is purportedly attempted by Newstrom & Ruch (1975), Lincoln, Pressley & Little (1982), and Holley (1987). Rather, the idea is to "indicate how people arrive at that judgment for themselves using criteria or standards to justify a moral choice" (p. 32).

Like other authors in the literature, Wotruba assumes that moral alternatives are generated by: 1) ethical theories, which are reduced to the standard two: deontology and teleology; and 2) stage of moral development, that is, according to Kohlberg's theory of moral development. Wotruba notes that deontology and teleology "will not always produce

the same conclusion" and that "a blend of the two perspectives is often seen as best, though marketing decisions have been associated more with teleological views" (p. 32-33; Robin & Reidenbach, 1987). Since ethical theories don't provide clear guidance on practical decision making (Hoaglund 1984), Wotruba proposes that something else is needed.

That "something else" is provided by Kohlberg's theory of cognitive moral development. As we have seen, the preconventional level (stages 1&2) is dominated by concern with punishment and obedience, and generally involves a self-interest orientation. The conventional level (stages 3&4) references group norms and is concerned with authority, duty, and social rules. Finally, the principled level (stages 5&6) involves recourse to universal ethical principles regardless of the preceding considerations.

The third component of *moral decision structure* entails "an assessment of the ethical alternative in light of one's priority structure of values.... This component involves intentions to behave morally, which result only if moral values emerge as the manager's choice over any other conflicting values in the manager's value system" (p. 33). Thus, moral values are assumed to be one type among many, which are often in conflict. Evidence of this is presented by a laboratory experiment with MBAs which found economic and political value orientations to be negatively related to ethical value orientations (Hegarty & Sims, 1978).

Two observations can be made about Wotruba's third component. First, he views the process of forming an intention as selecting from among conflicting values. Second, the same process can be described in terms of an intermotivational conflict.

Component four of the *moral decision structure* "involves figuring out the sequence of concrete actions, working around impediments and unexpected difficulties, overcoming fatigue and frustration, resisting distractions and allurements, and keeping sight of the eventual goal" (p. 34). That is what virtue does: specifically, what prudence, fortitude and temperance do. Rest's model is silent with respect to the existence of virtue, and the effect on it of the decision-making and feedback processes. Moral virtue provides the decision maker with the ability to move from component three to four, from intention to action, which indicates the possibility of a major contribution to Rest's work and the ethical decision-making model literature.

Wotruba follows his description of component four with an example of how pressure to reach short-term sales goals can impede the operationalizing of a component-three formulated intention to act morally. Since short-term sales goals are not considered a value present in component three, though they clearly represent economic value, that step must only involve generic values, or a sort of fundamental option (like being in favor of world peace), without considering their specific incarnations.

With respect to overall *moral decision structure,* Wotruba derives support for Rest's four-component model from Blasi's (1980) review of thought/action studies, since Rest's first three components involve thought. Wotruba believes that all four components of the structure are necessary to draw definitive conclusions about influences on ethical decision making.

With respect to interactions between the four components, Wotruba notes that a "wish" to morally whitewash an intention formed in component three might cause a manager to shift his preferred moral theory in component two, thereby rendering action in component four more comfortable. It might be considered a general deficiency of descriptive methodologies that they cannot explain why "rationalization" of the aforementioned type is inferior to "rationality," or, in other words, is ethically wrong.

2. Characteristics of the Decision Maker

Personal and role *characteristics of the decision maker* are posited to affect his decision making. This component encompasses *demographic, behavioral* and *positional characteristics. Demographic characteristics* include age and education (Rest, 1984); type of education (Chonko & Hunt, 1985); and sex (Chonko & Hunt, 1985; Hegarty & Sims, 1978; Fritzsche, 1988; Barnett & Karson, 1987). *Behavioral characteristics* include psychological *characteristics,* such as cognitive complexity, empathy and personal values, which have already been mentioned, along with Machiavellianism, extroversion, neuroticism or religious value orientation (Hegarty & Sims, 1978); locus of control (Maqsud, 1980); perseverance and ego strength (Rest, 1986); and, possibly, field dependence (Trevino, 1986). Cultural factors are also thought to affect ethical standards. For instance, with respect to negotiating strategies, Japanese bargainers have been found to prefer honesty; Chinese, deceptiveness (Allerheiligen, Graham & Lin, 1985). Bribery payments are criminalized in the United States whereas they constitute tax-deductible business expenses in other countries (Kaikati & Label, 1980). Finally, researched *positional characteristics* include level in hierarchy (Chonko & Hunt, 1985; Laczniak, 1983a; Barnett & Karson, 1987; Fritzche, 1988; Newstrom & Ruch, 1975); and functional areas of responsibility (Lincoln, Pressley & Little, 1982).

3. Situational Moderators

According to Wotruba, these variables might alter "some process or relationship" (p. 35) in the *moral decision structure* portion (part A) of his comprehensive framework. As noted previously, the list of *situational moderators* largely coincides with the "affected parties" to whom one must be sensitive in the first component of *moral decision structure: Corporate Culture and Policy, Peers, Superiors, Competitors, Customers, and Legislation.* "Research in nonbusiness settings has demonstrated the strong impact of the situation in overriding an individual's normally-expected moral behavior" (p. 35) (Milgram, 1963; Darley & Batson, 1973; Haney, Banks & Zimbardo, 1973; Rosehan, Moore & Underwood, 1976).

The heavily documented influence of corporate *culture and policy* on ethical behavior includes that of: 1) corporate policy on ethics or a code of ethics (Weaver & Ferrell, 1977) that are established and enforced (Kohn & Hughson, 1980); and 2) decentralization of responsibility (Schwartz, 1968). Perceptions of what *peers* do has been found to have a greater effect than personal beliefs on marketing managers' behavior (Zey-Ferrell, Weaver & Ferrell, 1979). Likewise, *superiors'* effect on subordinates' ethics is well documented (Baumhart, 1961; Carroll, 1975; Bowman, 1976; Brenner & Molander, 1977; Stratton, Flynn & Johnson, 1981; Hunt, Chonko & Wilcox, 1984). Wotruba proposes that in sales organizations, *competitors* constitute a separate variable, whereas they might simply be a referent other for most organizations. That said, ethical behavior decreased when participants were informed of their competitive standing and rewarded accordingly (Hegarty & Sims, 1978). Similarly, *customers* constitute *situational moderators* because selling is an interactive process whereby parties adjust norms to the others' needs, expectations and values (Dwyer, Schurr & Oh, 1987). Finally, *legislation* constitutes a *situational moderator* (Westing, 1967) because "[l]aw is usually the lowest common denominator of ethical behavior, and many persons believe they are ethical if they do not violate the law" (Wotruba, 1990: p. 37).

4. Outcomes

Wotruba posits that *outcomes* are important to understanding ethical decision making because *job performance* results lead to *rewards and punishments* which are powerful motivators (Jansen & Von Glinow, 1985), and because consequences of prior behavior *feeds back* to impact subsequent moral behavior. "In this perspective, the rewards (and punishments) are learning experiences which can modify future behavior" (p. 37).

Job performance refers not to "the performance of the moral action itself, but rather to the achievement of a job objective as measured through evaluation of performance results" (p. 37). Chonko & Hunt (1985) found that marketing managers believed that successful managers perform unethically in specific behavior, for instance by taking credit for others' ideas. *Rewards and punishment* can be extrinsic, such as compensation and promotion, or intrinsic, such as job satisfaction. With respect to *feedback and learning,* Wotruba concedes that "[h]ow outcomes affect subsequent ethical decision making is not the focus of much research" (p. 38). Research indicates, however, that subjects can be conditioned with *rewards and punishments* to behave unethically (Hegarty & Sims, 1978). Zey-Ferrell, Weaver & Ferrell (1979) reached a similar conclusion using only "differential reinforcement": rewarding for success without punishing for failure.

Perhaps this construct provides an opportunity to introduce into the literature the concept of **learning** as a change in decision rules. We change as a result of our decisions. We capacitate or incapacitate ourselves on the basis of our choice of a priori outcome estimates.

B. Research Implications

Wotruba, like all ethical decision-making model theorists, believes it would be fruitful to categorize research and set the agenda for future research along the lines of his model. To those ends he suggests a plethora of questions, too many to list here. Notable, and indicative of the general problem I have alluded to throughout this paper, though, is his first sample research question: "What factors controllable by management relate to desired moral responses in each component of Part A...?" (p. 38). What is it that makes the "desired moral responses" moral? And, if ethics requires a free response of the will, to what extent does management control of causal factors in search of compliance with desired behavior both instrumentalize the individual and thwart the pursuit of ethical behavior?

Question four includes the following: "[H]ow do ... outcomes relate to subsequent ethical decision making? For instance, if outcomes reinforce ethical behavior which has been relaxed in response to situational moderators, does this change ethical standards [sic] of the decision maker?" (p. 40). A fuller conception of learning would permit insight into the possibility that the decision maker himself is changed.

Summary

In sum, we have seen that Wotruba's Comprehensive Framework for the Analysis of Ethical Behavior, with a Focus on Sales Organizations posits that un/ethical outcomes depend upon (and partially feed back to) an individual's moral decision structure, personal characteristics and situational moderators. His primary contribution to the literature is to

incorporate Rest's *Four-Component Model of Moral Behavior.* His article is noteworthy for an offhand reference to conscience, and recognition that a decision is an action, though he fails to explore their ramifications for ethical decision making. Additionally, Rest's moral decision structure is amenable to a virtue construct.

While his emphasis on the moral decision structure adds to our understanding of ethical decision making, Wotruba's model is nevertheless subject to several criticisms including that it: assumes what is ethical to be given; is trapped by its assumptions into relating ethical sensitivity to the size of stakeholder and "moral issue" lists; considers a "total" taxonomy of ethical issues and stakeholders to be the ideal for purposes of the model's operation; reduces moral theory to deontology and teleology; lacks sufficient variables to proscribe the rationalization of immoral action; views feedback/learning in exclusively psychological terms; pursues the self-defeating goal of identifying variables that can be used to **make** people ethical; seeks to limit freedom rather than instruct as to its use, and; instrumentalizes the individual in pursuit of desired moral responses.

X. Jones' Issue-Contingent Model of Ethical Decision Making By Individuals in Organizations

Jones focuses on the importance of the "moral issue" to ethical decision making, rendering his model "issue-contingent." In it, he introduces a set of variables collectively referred to as *moral intensity.* In his words, "[t]he purpose of this article is to introduce concepts not present in prior models and to offer a model that supplements, but does not replace, other models. The article argues that moral issues vary in terms of their moral intensity and that an issue-contingent model of ethical decision making and behavior can add significantly to the understanding of moral processes" (p. 367).

Loosely formulated, his thesis is that at all stages of the decision-making process, from *recognition* to *action* (Rest, 1979, 1986), "morally intense" issues will be taken more seriously: "moral intensity influences every component of moral decision making and behavior" (p. 366). That is, individuals are more likely to think and act more morally when the issue concerned is morally serious.

I state my doubts at the outset about the validity of Jones' thesis, which appears to run contrary to an ethics of virtue: i.e., one which maintains that the capacity for handling morally grave matters is developed by the habit of handling morally lesser ones. If capacity is not developed, or worse, if one is incapacitated by vice, he won't likely be able to handle either large or small matters. While more noble than the cynical maxim that everyone has a price, Jones' thesis nevertheless overlooks the fact that the greater the incentive for wrongdoing, the greater will be the temptation to commit it. And, if one is not habituated to rebuffing temptations--habituation gained through repeated resistance of them in small matters--the resources to ignore sufficiently large incentives aren't likely to be available.

Jones explains the paucity of theoretical and empirical work in business ethics by the fact that "few scholars are interested in both ethics and organizational behavior and decision making....In addition, organizational scholars may be reluctant to study value-based issues because of ideological reasons or because methodological problems are considered difficult to surmount" (p. 367). (This is precisely the issue between Herbert Simon, who bases his theory of Administrative Behavior (1976) on logical-positivist methodology, and Philip Selznick, who rebuffs him for doing so in *Leadership in Administration* (1984). It is also the

issue which animates Juan Antonio Pérez-López's (1991, 1993) theory of human action in organizations.)

A. Definitions

Table 10: Central Definitions of the Issue-Contingent Model (Jones)

Moral Issue	A moral issue is present where a person's actions, when freely performed, may harm or benefit others.
Moral Agent	A moral agent is a person who makes a moral decision, even though he or she may not recognize that moral issues are at stake.
Ethical Decision	An ethical decision is defined as a decision that is both legal and morally acceptable to the larger community. The converse is also true.

His definition of "moral issue" follows Velasquez & Rostankowski (1985), for whom two components are essential: 1) consequences for others; and 2) volition. While Jones admits that his definition of "ethical decision" (Kelman & Hamilton, 1989) is "imprecise and relativistic," he defends its adequacy for purposes at hand. He then proceeds to chide Ferrell & Gresham (1985), Hunt & Vitell (1986), Trevino (1986) and Dubinsky & Loken (1989) for not providing substantive definitions to these terms. Jones believes that most organizational decisions present moral issues .

B. Existing Models

The decisional core of Jones' model employs Rest's (1986) four-component model of individual ethical decision making: A moral agent: 1) *recognizes* the moral issue; 2) makes a moral *judgment;* 3) resolves to place moral concerns ahead of other concerns (establishes moral *intent*); and 4) acts on the moral concerns. Each stage is conceptually distinct and independent.

Jones observes that none of the ethical decision-making models synthesized explicitly incorporates elements of the moral issue itself, either as an individual or moderating variable. Jones is correct in this, although, as we have seen, several of the preceding theorists have suggested the importance of the issue to ethical decision making. Because, intuitively, pilfering a few office supplies differs, as a moral decision, from releasing a dangerous product, Jones formally includes the moral issue as "an independent variable affecting all four stages of moral decision making and behavior" (p. 371).

> Specifically, ethical decision making is issue contingent; that is, characteristics of the moral issue itself, collectively called *moral intensity,* are important determinants of ethical decision making and behavior (p. 371).

Figure 9: Jones' Synthesis of Ethical Decision-Making Models
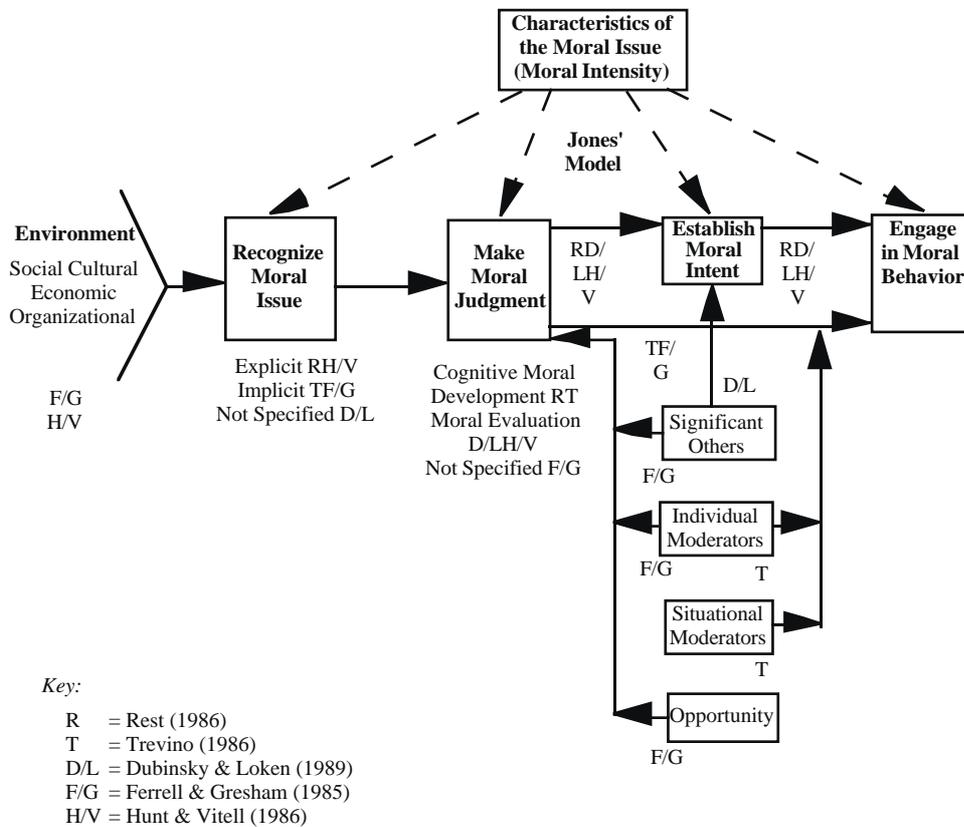
Source: Adapted from Jones, T. M. (1991) Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model. *Academy of Management Review,* 16(2), 370.

In passing I mention that Jones fails to address commonplace examples where dangerous products such as tobacco and alcohol not only support billion, if not trillion, dollar industries, but where their managements actively suppress information and disseminate misinformation regarding health hazards, addictiveness, etc. Rather than embrace Jones' thesis, one might reasonably conclude that the graver the danger a product presents to others, the more ingenious will be the rationalizations marshaled to justify its production and sale. Given sufficient ingenuity, even drug pushers could truthfully respond to researchers that they wouldn't do anything seriously unethical.

Jones draws support for his contention from manager surveys that utilize ethical vignettes (Fritzsche & Becker, 1983), which concluded that ethical decision making is not invariant across ethical problems, and that respondents would act more ethically given a more serious moral problem. Using the same methodology, Fritzsche (1988) noted respondent variation as the magnitude of the consequences involved increased.

C. Moral Intensity

"Moral intensity is a construct that captures the extent of issue-related moral imperative in a situation. It is multidimensional, and its component parts are characteristics of the moral issue such as *magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity,* and *concentration of effect....*[M]oral intensity focuses on the moral issue, not on the moral agent or the organizational context" (p. 372-373; emphases added).

The concept is derived generally from normative moral philosophy, specifically, from the concept of proportionality. Jones finds support for its use in ethical decision-making models in the fact that proportionality concepts are manifest in legal treatment of retribution: for instance, punishment must fit the crime.

Table 11: Components of Moral Intensity (Jones)

Component	Definition
1. Magnitude of Consequences	The sum of the harms (or benefits) done to victims (or beneficiaries) of the moral act in question.
2. Social Consensus	The degree of social agreement that a proposed act is evil (or good).
3. Probability of Effect	A joint function of the probability that the act in question will actually take place and the act in question will actually cause the harm (benefit) predicted.
4. Temporal Immediacy	The length of time between the present and the onset of consequences of the moral act in question (shorter length of time implies greater immediacy).
5. Proximity	The feeling of nearness (social, cultural, psychological, or physical) that the moral agent has for victims (beneficiaries) of the evil (beneficial) act in question.
6. Concentration of Effect	An inverse function of the number of people affected by an act of given *magnitude.*

Table 12: Examples of the Moral-Intensity Components (Jones)

Examples
Magnitude of consequences: 1. An act that causes 1,000 people to suffer a particular injury is of greater magnitude of consequence than an act that causes 10 people to suffer the same injury.   2. An act that causes the death of a human being is of greater magnitude of consequence than an act that causes a person to suffer a minor injury.
Social consensus   1. The evil involved in discriminating against minority job candidates has greater social consensus than the evil involved in refusing to act affirmatively on behalf of minority job candidates.   2. The evil involved in bribing a customs official in Texas has greater social consensus than the evil involved in bribing a customs official in Mexico (Nehemkis, 1975).
Probability of efffect   1. Producing a vehicle that would be dangerous to occupants during routine driving maneuvers has greater probability of harm than producing a vehicle that endangers occupants only during rear-end collisions.   2. Selling a gun to a known armed robber has greater probability of harm than selling a gun to a law-abiding citizen.
Temporal inmediacy   1. Releasing a drug that will cause one percent of the people who take it to have acute nervous reactions soon after they take it has greater temporal immediacy that releasing a drug that will cause one percent of those who take it to develop nervous disorders after 20 years.   2. Reducing the retirement benefits of current retirees has greater temporal immediacy than reducing retirement benefits of employees who are currently between 40 and 50 years of age.
Proximity   1. Layoffs in a person's work unit have greater moral proximity (physical and psychological) than do layoffs in a remote plant.   2. For U.S. citizens, the sale of dangerous pesticides in U.S. markets has greater moral proximity (social, cultural, and physical) than does the sale of such pesticides in Latin America.
Concentration of effect   1. A change in a warranty policy denying coverage to 10 people with claims of $10,000 has a more concentrated effect than a change denying coverage to 10,000 people with claims of $10.00.   2. Cheating an individual or small group of individuals out of a given sum has a more concentrated effect than cheating an institutional entity, such as a corporation or government agency, out of the same sum.

Jones characterizes his effort as an attempt to "build a nomological net of constructs and theory, which can be formally validated and tested in future studies" (p. 367). Since moral intensity is not an empirically derived construct, Jones offers Schwab's (1980) remarks concerning "construct validation" for support.

> [C]onstruct validation is often a sequential process. The scientist typically begins with a construct, probably ill defined. She/he suspects (hypothesizes) that this construct is related to other constructs in some sort of theoretical model which is probably also ill defined. At this point, a measure of the construct is typically developed (1980, p. 9).

Generally, Jones claims support for his *moral intensity* construct and its components from various sources: intuition, logic, common sense understandings, observation of human behavior, and some empirically derived evidence. He claims only "content validity" for the construct on the basis of observations that "(a) moral intensity varies from issue to issue, (b) individuals can make judgments of moral intensity, and (c) these judgments, although often subject to error and systematic bias (Kahneman, Slovic & Tversky, 1982), are sufficiently accurate for a person to make critical distinctions" (p. 373).

Jones aggregates all six components into a single *moral intensity* construct because "(a) the components are all characteristics of the moral issue itself and (b) the components are expected to have interactive effects..." (p. 378). Moreover, *moral intensity* is expected to increase and decrease monotonically, with increases or decreases (beyond some anticipated threshold) in its component parts, *ceteris paribus*. The various components are presented, defined and explained in the preceding tables.

D. An Issue-Contingent Model

Figure 10: An Issue-Contingent Model of Ethical Decision Making in Organizations (Jones)
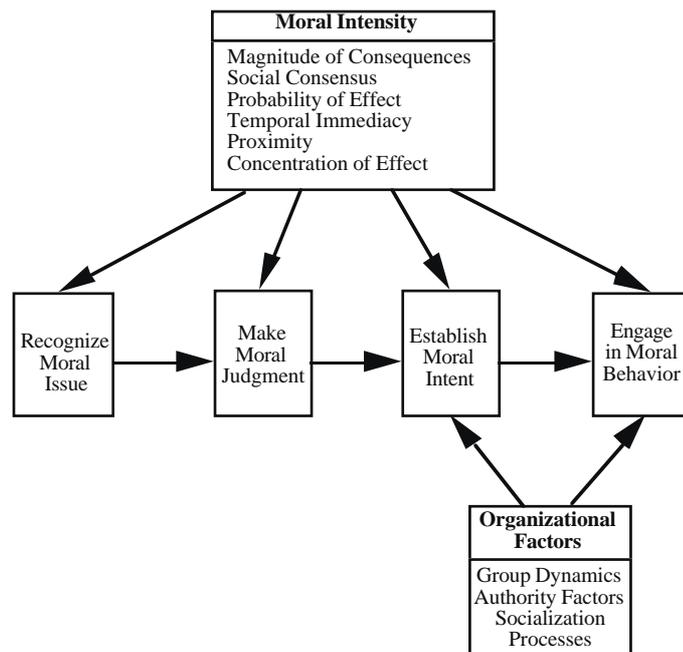
Source: Adapted from Jones, T. M. (1991) Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model. *Academy of Management Review,* 16(2), 379.

With respect to the core of his decision-making model, Jones is content to rely on the work of others, such as Rest's (1986) four-component model. He claims theoretical foundation from "social cognition" theories (Fiske & Taylor, 1984) in a simplified "single-event" moral decision-making format. Single-event models "eliminate elements that may shape moral decision making over time" (p. 380). Also included are some "individual difference" variables, not essential to his issue-related focus.

In the simplified model assumed here, stimuli from the environment vie for attention through an encoding process. Attention influences attributions, inferences, memory, affect, judgments, intentions, and behavior. Attributions underlie inferences, judgments, intentions, and behavior. Elements of social cognition that are assumed to remain constant over the course of *single-event* moral decision making include schemata and attitudes (p. 380).

1. Recognizing Moral Issues

A problem requiring a solution or response is presumed to trigger the decision-making process (Bazerman, 1986). But in order for moral decision making to begin, Jones requires, as does every other theorist besides Dubinsky & Loken (1989), that the decision maker recognize moral import in the situation. Absent that, Jones contends that the problem will be solved using alternative decision-making schemata, such as economic rationality.

This contention places a crucial matter in bright relief. For Jones, and the other theorists we have reviewed, non-moral decision-making models are appropriately used when solving non-moral problems, but are inappropriately used when solving moral ones. It might rightly be argued that technical questions do not involve moral issues: e.g., 2+2=4 regardless of prevailing circumstances or one's intention. The error lies in believing that any managerial problem is ever purely technical and, therefore, that the solution to any **managerial** problem can ever be arrived at by non-moral schemata. An ethical decision-making model for solving all managerial problems is necessary because all managerial problems are moral problems.

Jones anticipates that *moral intensity* will affect the *recognition* of moral problems by alerting decision makers to consequences through the "selective aspects" of attention: "salience" (Fiske & Taylor, 1984) and "vividness" (Nisbet & Ross, 1980). High-intensity moral issues will be more salient (i.e., stand out more) because of their greater *magnitude,* or extremity, their *higher concentration* of effect, or their greater *proximity:* either social, cultural, psychological or physical. High-intensity moral issues will be more vivid because their effects are more interesting emotionally, they are more concrete or they are more proximate. "In sum, because high-intensity moral issues are salient and vivid, they will be more likely to catch the attention of the moral decision maker and will be recognized as having consequences for others, a vital component of recognizing moral issues" (p. 381). Due to these and other theoretical and empirical observations, Jones proposes the following:

Prop. 1: Issues of high moral intensity will be recognized as moral issues more frequently than will issues of low moral intensity.

2. Moral Development and Moral Judgments

Jones presumes that *moral judgment* ensues from the individual's stage of moral development, and invokes Kohlberg (1976). Relying on studies which suggested that

moral development might be context-dependent (Higgins, Power & Kohlberg, 1984; Weber, 1990; Levine, 1979; Trevino, 1986)--for example, managers exercise lower levels of cognitive moral development at work than while answering hypothetical survey questions (Trevino, 1986)--Jones indicates that the moral issue and the components of *moral intensity* provide decision making with that very context. Drawing on social cognition theory, Jones points out that because "[p]eople dedicate more effort to social understanding when the stakes are higher,...think[ing] more, if not more accurately" (Fiske & Taylor, 1984: p. 186), *morally intense* issues present the conditions under which more thorough and sophisticated moral reasoning is called for. Hence, he proposes:

> Prop. 2: Issues of high moral intensity will elicit more sophisticated moral reasoning (higher levels of cognitive moral development) than will issues of low moral intensity.

3. Moral Intent

Jones notes that a judgment about what is correct is not the same as a decision to act on that judgment. According to Fishbein & Ajzen, "the best predictor of a person's behavior is his intention to perform the behavior" (1975, p. 381). Because of the direct relationship between self-attributions of personal responsibility and the degree of control over events that one perceives himself to have (Fiske & Taylor, 1984), and because *proximity* (an element of moral responsibility) is likely to enhance one's perception of control, Jones proposes that *moral intensity* plays a role in establishing moral intent. Furthermore, because people avoid averse consequences, moral intent will be influenced where *social consensus* is high. In sum:

> Prop. 3: Moral intent will be established more frequently where issues of high moral intensity are involved than where issues of low moral intensity are involved.

4. Moral Behavior

Rest (1986) holds that "[e]xecuting and implementing a pla[n] of action ... involves ... working around impediments and unexpected difficulties, overcoming fatigue and frustration, resisting distractions and allurements, and keeping sight of the original goal" (1986, p. 15). Drawing on social cognition theory and findings to the effect that people are more willing to help another whose predicament is out of his control (Weiner, 1979, 1980), and that people tend to attribute the behavior of others to **dispositional** traits while tending to attribute their own behavior to **situational** qualities (Fiske & Taylor, 1984), Jones concludes that the *proximity* component of *moral intensity* will influence moral behavior. People will be more apt to help those whose out-of-their-control misfortunes appear due to dispositional factors: that is, people in closer *proximity*--either social, cultural, psychological, or physical. Thus, he proposes:

> Prop. 4: Ethical behavior will be observed more frequently where issues of high moral intensity are involved than where issues of low moral intensity are involved.

Jones concludes by acknowledging that "[s]ome cognitive processes will affect moral decision making and behavior in general, without regard to the moral intensity of the issue itself" (p. 389). Yet he expects the effect of these biases "to affect all moral situations

equally and not apply differentially to moral issues of differing intensity" (p. 390). With respect to *organizational factors,* he hastily concludes that these will play a role in moral decision making and behavior at the point of establishing *moral intent* and that of engaging in *moral behavior.*

Table 13: Propositions from the Issue-Contingent Model (Jones)

Recognizing Moral Issues	1. Issues of high moral intensity will be recognized as moral issues more frequently than will issues of low moral intensity.
Moral Development and Moral Judgments	2. Issues of high moral intensity will elicit more sophisticated moral reasoning (higher levels of cognitive moral development) than will issues of low moral intensity.
Moral Intent	3. Moral intent will be established more frequently where issues of high moral intensity are involved than where issues of low moral intensity are involved.
Moral Behavior	4. Ethical behavior will be observed more frequently where issues of high moral intensity are involved than where issues of low moral intensity are involved.

Summary

In sum, we have seen that Jones' Issue-Contingent Model of Ethical Decision Making by Individuals in Organizations posits the overarching influence of the moral issue on ethical decision making. His primary contribution to the literature is to introduce a set of variables collectively entitled *moral intensity.* His article is also noteworthy for fleetingly mentioning "freedom," and recognizing the importance of free will to morality (pp. 381-383)--though it relates that importance to the moral issue rather than to the moral actor.

While his emphasis on issue-contingency adds to our understanding of ethical decision making, Jones' model is nevertheless subject to several criticisms including that it: assumes that a decision maker will possess the moral resources sufficient to rebuff large temptations when he has succumbed to small ones; ignores the role of habit formation in morality; is relativistic and imprecise with respect to what constitutes an ethical decision; lacks face validity, as it is regularly contradicted by corporate managers' grand-scale wrongdoing; overlooks the probability of rationalization to justify the capturing of high stakes; requires recognition of a situation's moral significance to trigger the decision-making process; assumes that managerial problems can be purely technical and, therefore, rightly addressed by non-moral or amoral decision schemata, and; mistakenly identifies intention as a likelihood.

X. Application: Herndon's New Context for Ethics Education Objectives in a College of Business: Ethical Decision-Making Models

Herndon is primarily concerned with implementing the goals of ethics education in business schools. Following Callahan (1980), he considers those objectives to be: "stimulating the moral imagination, developing the ability to recognize ethical issues, eliciting a sense of moral obligation, developing analytical skills, and promoting a tolerance of ambiguity and disagreement" (Herndon, p. 501). Callahan's goals have been identified as "underlying positive program goals common across disciplines" (p. 505; Callahan, 1993), and have also been frequently cited in other works as appropriate for business schools" (p. 505; Ghorpade, 1991; Hiltebeitel & Jones, 1992; Sims & Sims, 1991).

Herndon sees a direct correspondence between Callahan's goals and ethical decision-making models, generally, and the components of one particular, comprehensive model: specifically the Ferrell, Gresham & Fraedrich (1989) model. He believes that tying Callahan's goals to the Ferrell et al. model will provide them with a "more unified theoretical/empirical base" (p. 505). Similar efforts have been made by Kernaghan & Mancino (1991). Herndon is convinced of this necessity due to his review of the literature concerning the effects of ethics education (Feldman & Thompson, 1990; Wynd & Mager, 1989; Arlow & Ulrich, 1985; Harris & Guffey, 1991; Weber, 1990), which reveals disappointing results with respect to promoting long-term changes in students' ethics "constructs" (attitudes and behavior), with some exceptions (Glenn, 1992; Nelson & Obremski, 1990). There is, he notes, no empirical confirmation over the past ten years that Callahan's goals have been achieved, or even any indication of how to achieve them. To remedy this situation, the objectives of ethics education should be placed (rooted) in the context of ethical decision-making models, which have been "shown to be influential in ethical decision making" (p. 501).

A. Models of Ethical Decision Making

Herndon reviews several "positive models of ethical decision making that consider how a number of factors interact to produce ethical or unethical behaviors" (p. 504): Ferrell & Gresham's contingency model (1985); Hunt & Vitell's general theory (1986); Trevino's person-situation interactionist model (1986); Ferrell et al.'s synthesis integrated model (1989); Wotruba's framework for analysis (1990); and Jones' issue-contingent model (1991).

1. Ferrell et al. Model

Figure 11 (Figure 7): A Synthesis-Integrated Model of Ethical Decision Making in Business (Ferrell, Gresham & Fraedrich)

	Awareness	Cognitions	Moral Evaluations	Determination	Action

Social and Economic Environment → Ethical Issues → Stage of Cognitive Moral Development → Deontological Teleological Judgments → Intentions → Ethical or Unethical Behavior

Organizational Culture / Opportunity / Individual Moderators

Consequences

Behavioral Evaluation
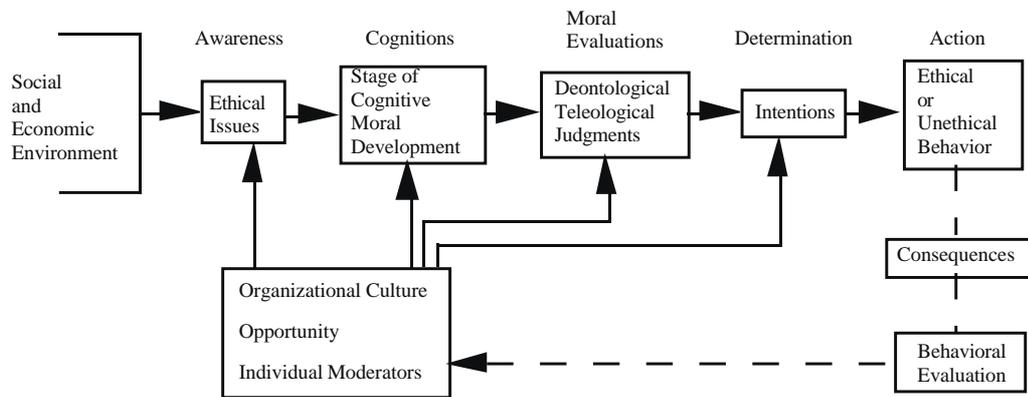
Source: Herndon, N. C., JR. (1996). A New Context for Ethics Education Objectives in a College of Business: Ethical Decision-Making Models. *Journal of Business Ethics,* 15, 505.

As we have seen, the Ferrell et al. synthesis is a basic process-oriented decision-making paradigm, which posits a standard decision-making sequence: 1) problem recognition, that is, recognizing ethical content in a problem; 2) search through internalized ethical frameworks for alternatives; 3) evaluation of consequences, which yields a cluster of intentions; 4) choice; and 5) outcome sequence, where consequences feed back to modify future ethical decisions through learning. The model further assumes the decision maker's: 1) reasoned action in selecting behavior under his volitional control (social psychology); and 2) moral development (Kohlberg, 1976).

Ethical behavior is assumed to be influenced by: 1) individual factors, or moderators, such as moral philosophies, intentions, attitudes, values and knowledge; and 2) organizational factors, comprehended as culture--the cultural context, including normative structure, referent others, obedience to authority and responsibility for consequences; and 3) opportunity.

B. Placing Some Objectives for Ethics Education in Business Schools within the Context of the Ferrell et al. Model

This is the grist of Herndon's paper. It is where he attempts to ground Callahan's objectives within the Ferrell et al. model. The work is slight, making it appear that Herndon noticed similarities between ethics education objectives and ethical decision-making models and suggested a direction for future thinking. The extent of this work is to point out those similarities, while its value is to suggest applications for the models.

Roughly speaking: 1) Callahan's first goal of "stimulating the moral imagination" corresponds to the Ferrell et al. model's "recognition," "moral development" and "evaluation"

components; 2) "recognizing ethical issues" corresponds to "recognition," "moral development" and "evaluation" of deontological and teleological theories in the Ferrell et al. model; 3) "eliciting a sense of moral obligation" corresponds to "intention," "evaluation," alternatives" and "consequences" in the Ferrell et al. model; 4) "developing analytical skills" corresponds to the sequence of the Ferrell et al. decision-making model and to individual moderators; and 5) "tolerating--and reducing--disagreement and ambiguity" corresponds to the individual moderators of knowledge, values, attitudes and intentions, along with "alternatives."

While Callahan's goals primarily relate to individual moderators, Herndon credits his work with being open to--if not properly stressing--organizational culture.

C. Suggestions

In sum, recent work suggests the need for attention to the process of ethical decision making, as well as to its content (Mowen & Gaeth 1992) and ethical decision-making models are ideal for that purpose. With respect to the educational objectives that prodded his analysis, Herndon advocates reducing teaching goals for business ethics to a number of subgoals tailored to the various disciplines: for example, following GAAP and completing certain duties to clients for accounting students.

Summary

In sum, we have seen that Herndon's New Context for Ethics Education Objectives in a College of Business: Ethical Decision-Making Models identifies one application of the literature surveyed. As previously mentioned, Herndon's work served to alert me to the existence of a developed literature on ethical decision making models, a service for which I am deeply indebted.

XI. Conclusions

General observations about the literature of ethical decision-making models lie interspersed throughout this paper, alongside specific criticisms. But it is worthwhile to restate the generally applicable issues.

The first relates to what constitutes moral and immoral, good and bad, right and wrong behavior in these models. In every model, prescribed and proscribed behavior is exogenously defined. Moral aims are sociologically given. Rather than being "moralistic," the authors intend to provide "value-free" technology, or methodology. And for that reason, the models surveyed fall prey to two different criticisms.

The first is that they are not what they purport to be. Any model which embodies components derived from Kohlberg's model of cognitive moral development or Fishbein & Ajzen's theory of reasoned action, to name just two bases, is loaded with normative value. For example, Kohlberg identifies the paragon of moral enlightenment as the autonomous, universal moral law giver: a notoriously Kantian (if not Nietszchean) creature. Fishbein &

Ajzen are thorough-going consequentialists. Ignoring the normative values embodied in positive models might liberate the mind, but not the model, from value considerations.

The second criticism is that any positive theory of management purporting to eliminate value considerations is, in the words of Philip Selznick (directed towards Herbert Simon (1976) for his logical positivist theory of *Administrative Behavior*), a "retreat to technology" (1984). For Selznick, if a decision maker's assumptions about the *ends* or *purposes* of action/behavior "are not made in a conscious and controlled way, they will either be made irresponsibly by whatever group is powerful at the moment, or they will not be made, and detailed decisions will remain unguided by long-run objectives. In either case, there is a failure of institutional leadership" (p. 78). Any ethical decision-making model, or technology, must posit the ultimate motives for ethical decision making to reside within the decision maker himself. Anything less would be an abdication of personal accountability and a "withdrawal from institutional responsibility" (p. 79).

The second issue is that in all of the models surveyed, the focus of the technology is to isolate variables that can be manipulated in order to ensure compliance with the exogenously defined standard of behavior. In other words, the models are devices for reducing human freedom rather than for instructing decision makers as to its proper use. The individual decision maker becomes instrumental to the attainment of desired behavior, as opposed to being capacitated to behave freely of his own accord. Alasdair MacIntyre (1984) considers this obliteration of the distinction between manipulative and non-manipulative means (to ends) to be the hallmark of our emotivist culture and the signal of morality's demise. Rather than auguring the onset of ethics in business, general adoption of the ethical decision-making models surveyed would foretell a degeneration in business ethics.

A third issue is the inability of positive models to prescribe, rather than describe: a fatal flaw in ethics, which concerns what **ought** to be done. Use of these models to enhance prospects for compliant behavior would be powerless in helping decision makers to flourish. The best that might be hoped for by their adoption would be a decision maker's avoidance of "bad" behavior. Hence, the literature of ethical decision-making models is inherently negative.

A fourth issue is that a predominance of psycho-sociological frameworks and concepts in the literature results in the authors' uniform tendency to identify ethical reality with observable phenomena: external actions and observable consequences. This overlooks the fact that decisions are themselves actions--acts of the will. Thus, while the ethically significant variable of **intention** is regularly posited, its significance is uniformly overlooked. Given the identical exterior actions of two almsgivers, both would be considered equally ethical by these models simply by virtue of almsgiving's being considered a worthy activity, even though one almsgiver might be motivated by charity and another by desire to humiliate the beneficiary. The anthropological base for these models, psycho-sociological man, has no will/heart; only mind/head and behavior.

A fifth issue is that ethical decision-making models are vexed by the necessity of the decision maker's having to recognize the moral component of a decision before the methodology applies (Dubinsky & Loken excepted). Because every act of the will is morally relevant, every decision involving one is morally relevant. The literature needs a non-psychological, -sociological redefinition of ethics to accommodate that fact and to embrace the full realm of human action. Moreover, the authors surveyed (once again, Dubinsky & Loken excepted) assume that non-moral decision-making models are appropriately used when solving non-moral problems. While purely technical questions might not involve moral

issues, it is a grave error to believe that any managerial problem is ever purely technical and, therefore, that the solution to any managerial problem can ever be arrived at by non-moral schemata. An ethical decision-making model for solving managerial problems is necessary because managerial problems are moral problems insofar as they involve a selection of alternatives from among competing goods.

In my view, more interesting questions than the one routinely posited: "How do individuals make moral decisions?" would be: "Why do similarly situated and conditioned individuals make different decisions when confronted by similar external moderating factors?" and: "Why would a given individual in similar circumstances decide differently on separate occasions?" These questions might lead to the formalization and investigation of a variable that is notably absent from the literature of ethical decision-making models: **freedom.** □

XII. Bibliography

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