

## **MODELS OF AN INDIVIDUAL DECISION MAKING PROCESS RELATED TO ETHICAL ISSUES IN BUSINESS: THE RISK OF FRAMING EFFECTS<sup>1</sup>**

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## **Abstract**

The theoretical paper at hand reviews sixteen most often cited descriptive models of a manager's individual decision making process related to ethical issues in business in general, international business and marketing fields in particular. The paper has a goal to point out the need to rephrase the dependent variable in the models in neutral terms to avoid framing effects in the three subject areas, as well as to rename the models accordingly.

## **Introduction**

Multiple cases of misconduct in business related to ethical issues have impelled researchers to analyze causes of unethical business behavior in order to understand what leads business people to behave unethically (Christie, Kwon, Stoeberl, and Baumhart, 2003). The researchers believe that having such an understanding it would be possible to foresee and perhaps inhibit pervasiveness of unethical behavior in business organizations. A number of them claim they have come up with descriptive models that show what factors determine an individual's decision making process related to ethical issues in business in general (e.g., Trevino, 1986; Bommer et al., 1987; Fritzsche, 1991; Jones, 1991; Jones and Ryan, 1997; Brass et al., 1998). As some researchers have observed that many questionable business practices can be traced to the marketing function (Dubinsky and Loken, 1989; Laczniak, 1983), they came up with models they believed were especially applicable to marketing settings (e.g., Zey-Ferrell, Weaver, and Ferrell, 1979; Zey-Ferrell and Ferrell, 1982; Ferrell and Gresham, 1985; Hunt and Vitell, 1986, 1993, 2005, 2006; Dubinsky and Loken, 1989; Ferrell, Gresham, and Fraedrich, 1989). Yet others, pointing out that in an increasing global environment managers face a dilemma when selecting and applying moral values to their decisions in international settings, proposed models applicable to an individual decision making related to ethical issues in international business (e.g., Wines and Napier, 1992; Robertson and Fadil, 1999).

The paper reviews sixteen most often cited descriptive models of an individual decision making process in three subject areas: business ethics literature in general, as well as international business and marketing ethics literature in particular. The paper has a goal to point out that rather than wording the dependent variable as "ethical/unethical behavior/judgment" or as "ethical behavior/judgment," or "unethical behavior/judgment," the dependent variable in these models throughout the three subject areas should be "behavior/judgment," while "ethical aspects" should be treated as one of many dimensions of both the process and its outcomes. By framing the dependent variable in a dichotomous way, the authors of the models assume that decisions, behaviors or judgments are only either ethical or unethical. In such a way they reject the possibility that decisions, behaviors or judgments can be different in terms of their ethicality or can be "a-ethical." Meanwhile, framing the dependent variable either in positive or negative way leads to identification of characteristics that the selected decisions, behaviors or judgments for research may share with decisions, behaviors or judgments that are not classified as "ethical" or "unethical."

Based on the same logic, the paper attempts to suggest the models that claim to portray how decisions related to ethical issues in the three subject areas are made should not be named "ethical decision making models in business/marketing/international business" but rather "decision making models related to ethical issues in business/marketing/international business."

By pointing out the importance of clarifying the dependent variable—i.e., behavior/judgment—the subject of business ethics studies in general and international

business and marketing ethics research in particular, the paper attempts to help researchers in these subject fields focus their research better.

### **Models of Individual Decision Making Related to Ethical Issues in Business**

***Rest's (1986) "Model of Moral Action" as the Basis for Other Models.*** Rest (1986) proposed a four-component model for individual decision making and behavior related to ethical issues based on a cognitive-developmental perspective. According to cognitive-developmental theory, an individual's cognitive perception of morality evolves through a series of developmental levels in reaching moral maturity. Rest's (1986) model describes components of the reasoning process related to ethical issues, each involving a psychological process and outcome, which lead to an individual's behavior.

Reasoning process related to an ethical issue is initiated through (1) identification of an issue having ethical content. Ethical sensitivity is related to awareness that the resolution of an issue may affect the well-being of others (Rest, 1994). After an individual identifies an issue involving ethical content, he/she enters a process of prescriptive reasoning in which he/she evaluates the ideal outcomes that should occur in a certain situation (Kohlberg, 1969, 1976; Rest, 1979). The aftermath of the reasoning process is a (2) judgment of what should be done to resolve that ethical issue. After that, an individual contemplates on his/her (3) intention to act/behavior on that issue, which involves a value assessment of the ethical choice vs. other decision choices. After that an individual reaches the final stage of decision making process—(4) action/behavior—which is a function of his/her conscious choice and certain personal characteristics. Rest argued that each component in the process is conceptually distinct and that success in one stage does not guarantee success in any other stage.

***Trevino's (1986) "Person-Situation Interactionist Model."*** Based on the Kohlberg's theory of cognitive moral development (1969), Trevino posits that the individual's cognitive model development stage determines his/her reaction to a certain ethical issue.

Individual variables—ego strength, field dependence, and locus of control—are shown in the model to affect the likelihood of an individual's acting on cognitions of what is right or wrong, while situational variables arising from the immediate job context and the broader organizational culture—the organization's normative structure, referent others, obedience to authority, responsibility for consequences, reinforcement contingencies, and other external pressures—also moderate the cognition/behavior relationship (Trevino, 1986: 602).

Characteristics of the job itself and the moral content of the organizational culture are shown in the model as situational factors affecting the stages of moral development of the individual (Trevino, 1986: 611).

***Bommer, Gratto, Gravander, and Tuttle's (1987) "Behavioral Model of Ethical and Unethical Decision Making."*** The model shows several categories of factors influencing managers' decisions when they are confronted by ethical dilemmas: social, government and legal, work, professional, and personal environment, as well as individual attributes. These variables are shown to affect "ethical and unethical behavior" via the mediating structure of the individual's decision-making process (Bommer et al., 1987: 267). The decision process in the model functions as a central processing unit with its own internal characteristics such as the individual's cognitive style, type of information acquisition and processing, and perceived levels of loss and reward that influence the decision. The model also shows that the degree of influence which the decision maker perceives the various factors to have is different from the influence they actually have (Bommer et al., 1987: 267).

***Fritzsche's (1991) Model.*** Fritzsche's (1991) model incorporates the essence of the Ferrell and Gresham's (1985), parts of Hunt and Vitell's (1986, 1993, 2005, 2006), and Trevino's (1986) models. It portrays the set of personal values of an individual as the

dominant individual level input into the decision making process, that are mediated by organizational culture. In his model Fritzsche (1991) shows that decision making related to ethical issues is also affected by stakeholders.

The model shows that the recognition of the management problem motivates the decision maker to search for solutions. A set of solution alternatives is evoked which consists of the total set of decision alternatives considered by the decision maker, and each alternative is evaluated on the basis of the economic, political, technological, social, and ethical issues. Fritzsche claims that the actual decision process may be considered phased heuristic (this aspect is similar to Hunt and Vitell's (1986) model, namely, teleological and deontological evaluation stage): the first phase consists of a conjunctive rule specifying a minimum cut-off point for each of the decision dimensions; decision alternatives that survive the first phase may then be subjected to a linear compensatory heuristic yielding the overall value of each alternative. The model shows that the selection and implementation of a decision alternative results in an internal and/or external impact which may influence future decisions, where internal impacts may affect different aspects of the organization culture, while external impacts may change the set of decision alternatives evoked in the future (Fritzsche, 1991: 850).

**Jones's (1991) "Issue Contingent Model."** The model stresses the characteristics of the ethical issue itself as Jones believes the prior models did not adequately account for differences in ethical issues (Jones, 1991: 370). Jones argues that six component parts of the moral intensity (magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect) are positively related to all four stages of decision making process related to ethical issues, i.e., to recognizing issues involving ethical content, making judgments, intentions, and behavior (1991: 372). In his model Jones also showed that such organizational factors like group dynamics, authority, and socialization processes affect two of the four stages of decision making process related to ethical issues, i.e., establishment of intent and behavior itself.

**Jones and Ryan's (1997) Model.** Jones and Ryan (1997) criticized all the previous models for not being able to explain the disparity between what organizational members decide is right to do in a given situation and what they actually do. The researchers came up with their own model based on a so-called idea of moral approbation, defined as moral approval from oneself or others. By arguing that individuals rely on the opinions of their referent groups when deciding how to behave, the authors showed in their model how organizational or environmental factors affect individuals' behavior related to ethical issues (Jones and Ryan, 1997). The model suggests that individuals consider four factors when defining their own or other person's level of moral responsibility in a certain situation: the severity of the consequences of that act, the certainty that the act is moral or immoral, the individual's degree of complicity in the act, and the extent of pressure the individual feels to behave unethically.

The individual uses the four factors to determine the level of moral responsibility that his/her referent group will attribute to him/her. Based on that, the individual is believed to plan a certain course of action and estimate how much moral approbation can be expected from the referent group based on that behavior. The authors of the model claim that then the individual will compare this anticipated level of moral approbation to the minimum that he/she can tolerate, and if the anticipated moral approbation matches the threshold, the individual is likely to establish a formal intention of behaving according to the plan, and is more likely to act according to the plan. However, if the comparison shows that the threshold will not be met, the individual will rethink his/her course of action and continue to go through the moral approbation process until a plan is developed that will lead to the necessary level of approbation (Jones and Ryan, 1997).

***Brass, Butterfield, and Skaggs's (1998) Model.*** Brass et al. (1998) proposed that it is not only individual, organizational, and issue-related factors that affect decision making process related to ethical issues, it is also relationships among actors that have the effect. The authors of the model think that it is an important omission as behavior is a social phenomenon as it involves a relationship between individuals that is also embedded in a structure of other social relationships (Brass et al., 1998: 14-15). At the same time they admit that there is an exception to this omission—Jones' model (1991) which emphasizes the influence of proximity among individuals on decision making process related to ethical issues. Brass et al. (1998) claim that it is types and structure of relationships that also affect decision making process related to ethical problems. The authors of the model propose that when relationships are strong, multiplex, symmetric, equal in status, there are no structural holes in relationships, there is high closeness centrality, and when the network is dense, there are more incentives for behaving ethically.

### **Models of Individual Decision Making Related to Ethical Issues in Marketing**

Zey-Ferrell, Weaver, and Ferrell (1979), Zey-Ferrell and Ferrell (1982), Ferrell and Gresham (1985), Hunt and Vitell (1986, 1993, 2006), Dubinsky and Loken (1989), Ferrell, Gresham, and Fraedrich (1989)—these are the most often quoted researchers in the field of descriptive marketing ethics who claim having determined the factors that affect decision making process related to ethical issues in marketing.

***Zey-Ferrell, Weaver, and Ferrell's (1979) "Model of Unethical Behavior."*** Zey-Ferrell et al.'s (1979) model is based on Sutherland and Cressey's (1966) theory of differential association which claims that the individual does not learn values, attitudes, and norms from society as such but from individuals who are members of disparate social groups, each having distinct norms, values, and attitudes, and whether or not the learning process results in unethical behavior depends on the ratio of contacts with unethical patterns to contacts with ethical patterns (Zey-Ferrell et al., 1979: 559). The authors of the model assume that the association with peers and other employees who are defined as participating in unethical behavior and condoning such behavior, and the opportunity to be involved in such behavior oneself, are major predictors of unethical behavior. Zey-Ferrell et al. claim that peer influences and opportunity are better predictors of individual's behavior than his/her own ethical/unethical belief system (1979: 559).

***Zey-Ferrell and Ferrell's (1982) Model.*** The researchers also based their conceptual model on the differential association theory by Sutherland and Cressey (1966) and role-set configuration analysis, role-set configuration being defined as "the mixture of characteristics of the referent others which form the role-set and may include their location and authority as well as their beliefs and behaviors as perceived by the focal person" (Zey-Ferrell and Ferrell, 1982: 590). Based on the role-set configuration analysis, the authors claim in terms of location, that the greater the distance, the less likely the focal person's "ethical/unethical behavior" will be influenced by referent others; in terms of authority, that top management as referent others with greater authority will have greater predictive influence on the focal person's "ethical/unethical behavior," in terms of beliefs/behaviors, that both beliefs and behaviors of referent others as perceived by the focal person may influence the "ethical/unethical behaviors" of the focal person. Apart from role-set configuration influences, the opportunity of the focal person to become involved in "ethical/unethical behavior" is also claimed to be influential to "ethical/unethical behavior." In general, the model shows that it is two factors that affect "unethical behavior," namely, differential association with peers and top management, and opportunity to behave unethically (Zey-Ferrell and Ferrell, 1982).

***Ferrell and Gresham's (1985) Model.*** Ferrell and Gresham (1985) proposed a model that demonstrates that decisions involving ethical dilemmas are affected by individual factors, significant others within the organizational setting, and opportunity for action. The societal/environmental criteria used to define an ethical issue are treated in this model as exogenous variables. The researchers, like Hunt and Vitell (1986, 1993, 2006), as well as Ferrell, Gresham, and Fraedrich (1989) and Fritzsche (1991), developed their model of marketing ethics utilizing the teleology-deontology dichotomy as background for their work. They discuss utilitarianism, the rights, and justice principle as the components of their individual factors construct in their contingency framework for examining marketing ethics (Williams and Murphy, 1990: 20). The authors point out that although their proposed model could be equally applicable to other functioning areas of the organization, such as accounting, management, etc., the opportunity to deviate from ethical behavior may be less prevalent in non-marketing areas, due to a lower frequency of boundary spanning contacts (Ferrell and Gresham, 1985: 88).

The variables affecting behavior that is related to ethical dilemmas in the field of marketing are categorized into individual and organizational contingencies. The model shows that these variables are interdependent and affecting, either directly or indirectly, the dependent variable, i.e., “ethical/unethical marketing behavior” (Ferrell and Gresham, 1985: 88).

***Hunt and Vitell's (1986, 1993, 2005, 2006) Model.*** The model addresses the situation in which an individual (1) confronts a problem perceived as having ethical content. If the individual perceives an ethical problem in the situation, then the process shown in the model begins; (2) the next step in the model is the perception of various possible alternatives that might be taken to solve the ethical problem. Having perceived the set of alternatives, (3) two kinds of evaluations—a deontological and a teleological—follow.

In the process of deontological evaluation, the individual considers the inherent rightness or wrongness of the behaviors implied by each alternative. The individual compares each alternative's behaviors with a set of predetermined deontological norms. These norms represent personal values or rules of moral behavior, encompassing both general and issue-specific beliefs. The deontological norms encompass both the hypernorms and local norms of the integrative social contracts theory (Donaldson and Dunfee, 1994; Dunfee, Smith, and Ross, 1999). While evaluating each alternative from teleological perspective, the individual focuses on: (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 (Hunt and Vitell, 1993, 2006). According to the authors, the general result of the teleological evaluation will be beliefs about the relative goodness vs. badness brought about by each alternative, as perceived by the decision maker (Hunt and Vitell, 2006: 145). In such a way, the theory claims that an individual's ethical judgments are a function of the individual's deontological and teleological evaluations.

Hunt and Vitell claim that their model shows that ethical judgments affect behavior through the intervening variable of intentions. Since according to Hunt and Vitell's model (1986, 1993, 2005, 2006), teleological evaluation independently affects intentions, too, ethical judgments can sometimes differ from intentions. Another variable depicted in Hunt and Vitell's model (1986, 1993, 2005, 2006)—action control—according to the authors, is the extent to which an individual exerts control in the enactment of an intention in a particular situation, i.e., situational constraints (e.g., and opportunity to adopt a particular alternative) may result in behaviors inconsistent with the individual's intentions and ethical judgments. The model also shows that after a certain behavior, the actual consequences of the alternative selected are evaluated, which serves as a feedback to the category of variables named

“personal characteristics” (based on Hegarty and Sims (1978) research results) (Hunt and Vitell, 1986, 1993, 2006). Because of such a feedback, the theory claims that individuals can be conditioned to behave ethically (Hunt and Vitell, 2006: 146).

The revised model (Hunt and Vitell, 1993, 2006) demonstrates that certain aspects of the decision making process can be influenced by several personal characteristics (i.e., individual’s personal religion, individual’s value system, belief systems, strength of moral character, cognitive moral development and ethical sensitivity). Cultural (i.e., religion, legal, and political systems), industry, professional, and organizational environments (the latter three consisting of informal norms, formal codes, and code enforcement) also are said to influence the individual decision making process related to ethical issues.

***Dubinsky and Loken’s (1989) “Model for Analyzing Ethical Decision Making in Marketing.”*** The model has its origins in social psychology, the approach being derived from the theory of reasoned action (Ajzen and Fishbein, 1980; Fishbein and Ajzen, 1975), used to study consumer behavior. According to the theory, individuals are usually rational, they make use of information that is available to them when deciding to engage in a given behavior, and their behavior is under volitional control (Ajzen and Fishbein, 1980). According to the authors of the theory of reasoned action, Fishbein and Ajzen (1975), people are rational in that they process information in a systematic way, although the behaviors that follow from the process are not necessarily ethical.

In their model Dubinsky and Loken claim that the immediate determinant of engaging in “ethical/unethical behavior/action” is one’s intention to perform the behavior. Intention is influenced by the individual’s attitude toward the behavior (i.e., an individual’s judgment concerning whether engaging in a certain behavior is good or bad) and/or subjective norm (i.e., perceived social influence/pressure placed on the individual to perform or not to perform the behavior). The theory proposes that the relative importance attached to attitudes and subjective norms in predicting intentions (and therefore behavior) varies depending upon the particular ethical behavior tested or the particular subgroup or population investigated (Dubinsky and Loken, 1989: 87).

The model shows that attitude is determined by the person’s salient behavioral beliefs about the outcomes related to performing the behavior and evaluations of those outcomes. The authors claim 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.

Subjective norm in the model is a function of the individual’s normative beliefs about whether salient referents think the individual should engage in the behavior and motivations to comply with the referents (Dubinsky and Loken, 1989: 85).

***Ferrell, Gresham, and Fraedrich’s (1989) Model.*** It is a synthesis model based on the earlier models of decision making related to ethical issues in marketing by Ferrell and Gresham (1985), Hunt and Vitell (1986, 1993, 2005, 2006), and Kohlberg’s model (1969) of cognitive moral development.

From Hunt and Vitell’s (1986) model the researchers took a micro aspect of the individual’s cognitive decision process (i.e., in their model Hunt and Vitell (1986, 1993, 2005, 2006) show how individuals’ ethical judgments are a function of both deontological and teleological evaluation). From Ferrell and Gresham’s (1985) model the authors took a more macro orientation as they think the organizational culture component included in Ferrell and Gresham (1985) model is equally important in ethical decision making process. Since the authors think that the decision making process consists of problem recognition, search, evaluation, choice, and outcome, where recognition of ethical dilemma is a critical matter which depends on different stages of cognitive moral development, from Kohlberg’s model (1969) the authors took the aspect of cognitive moral development to show that a person at a lower (pre-conventional) stage of moral development may not recognize a certain situation as

an ethical issue, while another person at a higher (principled) stage of cognitive moral development may see the ethical component of the same dilemma. Besides, based on Ferrell and Gresham (1985) model, which shows that recognition of an ethical issue also depends on the evaluation of “ethical/unethical behavior” which in turn is affected by social learning, the researchers also included the social learning as a variable in their synthesized model.

### **Models of Decision Making Related to Ethical Issues in International Business**

*Wines and Napier’s (1992) “Model for Cross-Cultural Ethics.”* Wines and Napier’s (1992) model is based on Owens’s (1983) “Model of Business Ethics.” Wines and Napier (1992) have pointed out that *Owens’s model (1983)* is not applicable to international companies’ context since it is based on a simple framework for viewing moral values and ethics within a single culture and suggests that cultures are closed systems in which public opinion involving moral beliefs is reflected through the political and economic system to change the external environment for business decisions. In Owens’s model (1983) a manager’s decisions are the center of concentric circles; the middle layer represents the political and economic contexts that influence decisions; while the outer layer includes moral values, beliefs and public opinion that includes cultural elements; values and opinions are shown to influence both inner layers—the political and economic contexts—as well as decisions.

Wines and Napier point out that Owens’s model (1983) needs to be extended to a cross-cultural perspective as they believe that cultures may overlap or interface when a firm conducts business outside its home country or when a domestic company employs individuals from several cultures. The focus of their model is on clusters of cultures with shared moral values, as Hofstede (1980, 2001) suggested with his cultural dimensions (Wines and Napier, 1992: 835-836). The model shows how different cultures may be linked by “value strings” representing common moral values (Wines and Napier, 1992: 836).

*Robertson and Fadil’s (1999) “Culture-Based Consequentialist Model of Ethical Decision Making.”* Since Robertson and Fadil (1999) believed researchers had not integrated the influence of cultural values into the ethical decision making paradigm (1999: 385), they constructed their own model. The authors built their model on previous models of decision making related to ethical issues, with a focus on cultural dimension of individualism/collectivism and the ethical philosophy of consequentialism. The authors of the model claim that their model also incorporates “other key stages in ethical decision making process” such as: education and training, moral development (based on Kohlberg’s theory, 1969), the intensity of the ethical dilemma (based on Jones’s model, 1991), and moderating factors (i.e., individual and situational factors, in their own turn being influenced by a manager’s national culture) (Robertson and Fadil, 1999: 387).

### **Discussion and Suggestions**

Without a doubt, all previously presented descriptive models have made their valuable contribution to building a descriptive theory of an individual decision making process related to ethical issues in the subject areas of business, marketing, and international business. However, despite that, most of the models have a common shortcoming: the dependent variable is defined in a biased way.

In some of the models presented earlier, the dependent variable is dichotomous, i.e., “ethical/unethical judgment/behavior” (as it is the case in Trevino, 1986; Bommer et al., 1987; Ferrell and Gresham, 1985; Dubinsky and Loken, 1989; and Ferrell et al., 1989). In others—the dependent variable focuses only on one end of the continuum, i.e., “ethical/moral



judgment/intent/behavior” (as in Rest, 1986; Jones, 1991; Jones and Ryan, 1997; Hunt and Vitell, 1986, 1993 models) or “unethical judgment/intent/behavior” (as in Zey-Ferrell, Weaver, and Ferrell, 1979; Zey-Ferrell and Ferrell, 1982; and Brass et al., 1998 models). While in Ferrell et al. (1989), as well as in Dubinsky and Loken’s (1989) models the authors clearly show that the dependent variable is “ethical/unethical behavior”, it is not clear what the dependent variable is in Ferrell and Gresham’s (1985) model since there is a box in the model labeled “behavior”, and an arrow pointing to another box labeled “evaluation of behavior: ethical/unethical.” However, in the article itself, Ferrell and Gresham explicitly state that “the dependent variable is ethical/unethical marketing behavior” (1985: 88).

Whatever the case, having framed the dependent variable in a dichotomous way, i.e., “ethical/unethical behavior,” the problem is crudeness. The authors of the models containing a so-framed dependent variable assume that decisions are either ethical or unethical and ignore the possibility that decisions may vary in terms of ethicality. For example, there is a difference between stretching and bending tax practices (“grey areas”) and engaging in flagrant acts of tax evasion. However, such nuances are ignored in the dichotomous dependent variable case. Besides, such an approach excludes decisions that perhaps could be called “a-ethical” (as compared with “amoral,” as opposed to “immoral”). Many decisions are made without ethical considerations and may lack obvious ethical consequences. Although such decisions may not be driven by evil-minded motives or may hurt anyone, they can hardly be considered ethical.

Looking at Hunt and Vitell’s (1986, 1993) model it is rather difficult to see right away what the dependent variable is, and the authors of the model never mentioned it explicitly in the explanatory text surrounding their model. Judging from the following quotes taken from their article, it can only be assumed that the dependent variable in Hunt and Vitell’s (1986, 1993) model is “ethical judgments”:

“...the model suggests that Deontological Evaluation and Teleological Evaluation, taken collectively, would explain a higher percentage of the variance in *ethical judgments* than either construct taken separately...” (Hunt and Vitell, 1986: 767),

“...the model proposed here suggests four major sources of variance in *ethical judgments*...” (Hunt and Vitell, 1986: 768),

“...as previously described, the model suggests that individuals or groups could have different *ethical judgments* because of four sources of variance...” (Hunt and Vitell, 1986: 770), or

“...if one wished to make normative prescriptions about how to attempt to understand how these “others” do in fact arrive at their *ethical judgments*...” (Hunt and Vitell, 1986: 771).

Judging from the following quotes in their article introducing the revision of their model, it seems that the dependent variable is, indeed, “ethical decision making” or “ethical judgments”:

“...our attempt to model *ethical decision making* was...” (Hunt and Vitell, 1993: 775),

“...our efforts at developing a better understanding of how marketers (and others) form their *ethical judgments* and determine what to do in ethically troublesome situations” (Hunt and Vitell, 1993: 775).

In such a case, when decisions/judgments are pre-classified, which requires a focus on whatever appears to characterize ethical decisions/judgments, one then arrives at the same problems that researchers on “group think” are subject to, and which was also the problem with the *In Search of Excellence* study by Peters and Waterman (1982). The consequences of framing the dependent variable either in positive (e.g., “excellent companies,” “ethical

judgments”, etc.) or negative way (e.g., groupthink as a negative phenomenon or focus on unethical behavior or unethical judgments, etc.) can be seen from the Peters and Waterman’s study (1982). Such a procedure easily leads to identification of characteristics that the selected firms or decisions for testing the model empirically may share with companies or decisions that are not classified as “ethical” (or “unethical”). Research on “ethical decision making” or ethical/unethical decision making” may easily fall into an analogous trap.

In their article on the groupthink phenomenon, Aldag and Fuller point out that:

“...groupthink has been overwhelmingly viewed as an evil, leading to uniformly negative outcomes. Such a view is universally implicit in the language of groupthink (e.g., the common references to “*symptoms* of groupthink,” “*victims* of groupthink”, and “*defects* of groupthink”). When used in [groupthink] research, such negative terminology can invite distortions in responses caused by scale-use tendencies and related psychometric difficulties and can also result in framing effects” (1993: 539).

By presenting an example from a certain area, the authors of the article warn researchers in any field against holding a strong prior belief about the outcome and urge them to frame the dependent variable in neutral terms.

There is a problem with not only wording the dependent variable but also with the way the models are referred to by their authors themselves. For example, Hunt and Vitell put the title “General Theory of Marketing Ethics” under their model introduced in their article in 1986, and revised in 1993 as “Hunt-Vitell Theory of Ethics,” and sometimes they name the process they visualize as “the decision making process for situations involving an ethical problem” (Hunt and Vitell, 1986: 758), i.e., in neutral terms. However, most of the time in their articles they switch to a single-sided wording by referring to the models as: “models of *ethical* decision making” (Hunt and Vitell, 1986: 757), “determinants of *ethical* decision making” (Hunt and Vitell, 1986: 758), “attempt to model *ethical* decision making” (Hunt and Vitell, 1993: 775), “a basic outline of a theory of *ethical* decision making was developed...” (Hunt and Vitell, 1993: 777), “the model that constitutes what we believe is a general theory of *ethical* decision making in all contexts” (Hunt and Vitell, 1993: 779), “understanding how *ethical* decisions are made can contribute...” (Hunt and Vitell, 1993: 782). Even in their 2006 article the authors refer to the decision making process related to ethical issues in marketing as “most of the theory was really applicable to *ethical* decision making...” (Hunt and Vitell, 2006).

The authors of the other models also refer to their models in one-sided way, e.g., Dubinsky and Loken (1989) (even though the dependent variable in their model is called “ethical/unethical behavior”). It is seen from the very title of their article (i.e., “Analyzing *ethical* decision making in marketing”) to the way they name the decision making process itself (i.e., “analyzing *ethical* decision making in marketing” (Dubinsky and Loken, 1989: 83), “for analyzing *ethical* decision making in marketing” (Dubinsky and Loken, 1989: 84), “the theory, as it applies to *ethical* decision making in marketing” (Dubinsky and Loken, 1989: 85). Ferrell and Gresham (1985) also refer to their model in a similar way—“Contingency model of *ethical* decision making in a marketing organization,” and in the title as “A contingency framework for understanding *ethical* decision making in marketing,” and later in the text they seem to confuse the reader even more by switching to a dichotomous term, claiming that “a contingency *framework* is recommended as a starting point for the development of a theory of *ethical/unethical* actions in organizational environments”, as well as “this *model* demonstrates how previous research can be integrated to reveal that *ethical/unethical* decisions are moderated by...” (Ferrell and Gresham, 1985: 87).

Having noted that, I would like to propose to change a certain aspect of the models in order to make them more clear and precise. In particular, to change the dependent variable

which is worded in a dichotomous term as “ethical/unethical behavior/judgment” and therefore ignores possibilities of arriving at either in-between “ethical” and “unethical” behavior/judgment or “a-ethical” behavior/judgment. Instead, it should be simply referred to as “behavior/judgment.” Based on that, the models showing how decisions carrying an ethical content in business, marketing, or international business are arrived at should be called accordingly, i.e., “decision making models related to ethical issues in business/marketing/international business” instead of naming them “ethical decision making models in business/marketing/international business.”

The main contribution of the paper at hand is that it points out the importance of clarifying the dependent variable—i.e., behavior/judgment—the subject of business ethics studies in general and international business and marketing ethics research in particular, having a goal to help scholars in these research fields target their efforts more precisely.

### **Suggestion for Future Research**

Aldag and Fuller also stress the importance of framing the dependent variable in neutral terms for testing models empirically:

“Individuals (whether subjects or researchers) presented with negatively framed terminology may adopt the readily available negative frame and respond accordingly. Therefore, even simple attempts by the subjects to give responses that are consistent with the tone of the questions would result in negatively oriented responses. There is evidence that when individuals are provided with knowledge of a negative outcome, they infer a negative process. Furthermore, a focus only on [...] negative outcomes invites illusory correlation” (1993: 539).

“Thus, researchers may learn little [...] by a focus solely on fiascoes. Instead, a focus on decision with a broad range of outcomes [...] is necessary. The focus on fiascoes makes it impossible to say anything even about the determinants of fiascoes” (1993: 539).

Having pointed it out, a natural continuation for the future research would be to analyze empirical studies that had a goal to test fully or partly the models presented in the paper at hand (e.g., Pressley and Blevins (1984), Mayo and Marks (1990), Donoho, Polonsky, Roberts, and Cohen (2001), Singhapakdi and Vitell (1991), Vitell, Rallapalli, and Singhapakdi (1993), Vitell and Singhapakdi (1991), Hunt and Vasquez-Parraga (1993), Dubinsky and Ingram (1984), Zahra and LaTour (1987), Blodgett, Lu, Rose, and Vitell (2001), Cherry, Lee, and Chien (2003), etc.—testing Hunt and Vitell (1986, 1993) model; Ferrell and Skinner (1988) testing Ferrell and Gresham (1985) model; Simga-Mugan, Daly, Onkal, and Kavut (2005) testing Jones (1991) model; etc.). The goal of such a research would be to detect the possibility of the framing effects in these studies and if they do exist, to improve the research instruments used in those studies so that results of the future empirical studies related to testing the models would not be possibly affected by the framing effects.

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