

Chapter 76

Toward Understanding Ethical Decision Making: A Redefined Measure of Intent to Act Ethically

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ABSTRACT

This paper proposes a step-wise methodology for the development of a scale measuring intent-to-act ethically, which is a step forward in the ethical decision-making process. To test the robustness of the methodology, data from two different populations gathered from 75 students and 181 professionals were examined to ensure reliability in ethical workplace scenarios. This research is relevant to recent issues like the current economic crisis lead by the sub-prime banking failures. The failures of Enron and Tyco are extreme examples of failure of societal members to act ethically. The construction of scale-measuring items was based on a theory of intent, and issues identified from the human resource management literature related to reasons employees do not report perceived unethical behavior in the workplace. Tested for social desirability bias, the results show that the proposed scale offers an improved reliability for assessing behavioral intent related to ethical decision-making. With these findings, this paper provides a tool for research that relies on a measure of ethical intent as a proxy for ethical behavior.

1. INTRODUCTION

Organizations are concerned with two types of behavior—organizational citizenship and dysfunctional behavior. Organizations want to encourage citizenship, which refers to behaviors that provide a positive overall contribution to the organization, and they want to discourage dysfunctional behaviors detracting from contributing to organizational performance (Moorhead & Griffin, 2004). Measuring behavior however, relies on observation and/or retrospective reporting. Observation has many practical implications and limitations in the workplace, and retrospective reporting relies on memory and accuracy of those providing the information. Consequently, another measure, intent or intention to behave, has served as a proxy for behavior in several disciplines interested in predicting behavior under certain conditions.

Recent issues such as the current economic crisis lead by the sub-prime banking failures (Terhune & Berner, 2008) and the failures of Enron and Tyco are extreme examples of failure of societal members to act ethically. The value of this research is to develop a construct which measures ethical intent which fills a gap in this portion of ethics research. This is important because intent is considered a proxy for behavior. Better understanding of ethical intent may aid academicians in improving education in this area of societal behavior.

The rest of the paper is made up of six sections. Section 2 reviews the pertinent literature, Section 3 identifies the problem, Section 4 suggests the methodology and explains the data used, Section 5 analyzes the empirical results, Section 6 recognizes the limitation of the findings, discusses the implications for future research, and concludes the paper.

2. LITERATURE REVIEW

One area of research, ethical decision-making, relies on conceptual models that describe the steps that are antecedents to ethical or unethical behavior. One model is the four component ethical decision-making model attributed to Rest (1986), which includes (1) awareness, (2) moral judgment (Kohlberg, 1969), (3) moral intent and, (4) moral behavior. This constellation of components forms the basis of most ethical decision-making studies (Barnett & Vaicys, 2000; Jones, 1991; Kelley & Elm, 2003; Trevino, 1986; Trevino & Youngblood, 1990). This model is displayed in Figure 1. The first component, awareness, provokes the initial step in ethical decision-making. Highly nuanced, complicated, or ambiguous situations of individual experience must first be identified as having ethical relevance in order to activate the decision-making process. Pardales (2002) refers to making this first step as the capacity to perceive moral issues, exhibited as an issue enters individual awareness.

The second component in this model of ethical decision-making process is moral judgment, an unconscious and cognitive evaluation made by individuals depending on the level or stage of their moral development. Theories of cognitive moral development, described by Kohlberg (1969) and Rest (1986), explain how levels of moral reasoning evolve over a lifetime and have been found to be linked to education level and age.

The interaction between moral judgment and moral development has been studied variously, with authors attempting to measure the level of moral judgment by identifying hierarchical stages of development of the individual. The results of this research, called stage theory, are questionable, as

Figure 1. Four component ethical decision-making model



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