

Ethical Decision Making: A Critical Assessment and an Integrated Model

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INTRODUCTION

Studies have shown that organizations are putting more effort in enforcing the ethical practices in their decision making activities (Janet, Armen, & Ted, 2001). An increasing number of models have also been proposed that have attempted to explore and explain various philosophical approaches to ethical decision making behaviour. In addition, many empirical studies have been presented in various scholarly journals focusing on this subject with the aim of putting theory into practice (O'Fallon & Butterfield, 2005). Nevertheless, unethical practices including fraud, corruption, and bribery continue to be reported (Trevino & Victor, 1992). Bartlett (2003) claims that there is a large gap between theory and practice in ethical decision making research, as existing models are trapped either in undersocialized view (focus on individual factors only) or oversocialized view (focus on situational factor only).

Development of a theoretical framework in the ethical decision making area has proven to be very challenging due to the multitude of complex and varied factors that contribute to ethical behaviour. This article attempts to contribute in this challenging area by reviewing and examining the major existing models and presenting an integrated model of ethical decision making model.

This article is divided into three sections. The first section presents an analysis of the broad range of key determinants in major existing models of ethical decision making, namely, individual, organizational, moral intensity, and cultural factors. The second section proposes an integrated model of ethical decision making which is culturally based. In particular, the proposed model is developed based on Malaysian culture. Using culture as a basic determinant, the proposed model can

be adapted for any specific culture or country. In the last section, suggestions on data collection to test the proposed model are provided.

BACKGROUND

The area of ethical decision making has been receiving increasing attention from ethical scholars. The main emphasis had been on individuals' behaviour in organizations and how they deal with ethical dilemma. Generally, four factors have been found to influence individual to engage in ethical decision making, namely: individual, organizational, moral intensity, and cultural dimensions. Table 1 provides a list of dimensions in each of the factors. In order to describe each of the dimensions, four major models in ethical decision making are reviewed including; (1) "A Person-Situation Interactionist Model" (Trevino, 1986); (2) "A General Theory of Marketing Ethics" (Hunt & Vitell, 1986); (3) "A Contingency Model of Ethical Decision Making in Marketing Organization" (Ferrel & Gresham, 1985); and (4) "An Issue Contingent Model" (Jones, 1991).

INDIVIDUAL FACTORS

Normative study emphasizes that, when dealing with ethical dilemma, individuals will develop their own beliefs and rules based on their own moral philosophy. Based on these beliefs, individuals will determine their ethical point of view in handling ethical dilemmas (Fritzsche, 1991). Thus, individual factors need to be considered to understand ethical behaviour. As shown in Table 1, a variety of dimensions have been proposed in the major models of ethical decision making to dem-

Table 1. Dimensions of key determinants in major ethical decision models

Individual Factor	Organizational Factor	Moral Intensity Factor	Cultural Factor
<p>Trevino, 1986 Cognitive Moral Development</p> <p>Ego Strength Field Dependence Locus of Control</p> <p>Ferrel & Gresham, 1985 Knowledge Values Attitudes Intentions</p> <p>Hunt & Vitell, 1986 Deontological Norms Teleological Norms</p>	<p>Trevino, 1986 Reinforcement Other Pressures Normative Structure Obedience to Authority Responsibility for Consequences Role Taking Resolution of Moral Conflict</p> <p>Ferrel & Gresham, 1985 Professional Codes Corporate Policy Rewards/Punishment Differential Association Role Set Configuration</p> <p>Hunt & Vitell, 1986 Organizational norms</p>	<p>Jones, 1991 Magnitude of Consequences Social Consensus Probability of Effect Temporal Immediacy Proximity Concentration of Effect</p>	<p>Hunt & Vitell, 1986 Cultural Environment</p> <p>Ferrel & Gresham, 1985 Social and Cultural Environment</p>

onstrate how individuals respond and reach different conclusions on morality issues. Hunt and Vitell (1986) proposed that deontological and teleological views effect the reaction of an individual’s ethical behaviour. Those who hold the deontological view are concerned with the majority benefit. Therefore, the consequences of the action on majority benefit become their primary concern. On the other hand, those with a teleological view are concerned with the action rather than the consequences of the action.

Organizational Factor

An organization’s environment reflects the individual’s behaviour in ethical decision making. Individuals try to occupy their system of beliefs within the organizational setting, and any inconsistency will be modified based on the systems within the organization. Organizational culture provides behavioural cues and becomes a guideline for behavioral conduct (Karande, Rao, & Singhapakdi, 2002). Trevino’s (1986) model has been known as the most accepted model to describe the influence of organizational culture. In this model, the author proposed that individual’s ethical behavior is influenced by organizational components, which includes a number of dimensions (see Table 1). In addition, most of the major models of ethical decision making also propose the influence of organizational culture by proposing various dimensions of this construct.

Moral Intensity

Jones (1991) has addressed the importance of moral intensity in ethical decision making. He describes that the characteristics of the issue itself will determine whether the individual will be involved in ethical behaviour. The argument by Jones (1991) has been supported by Valentine and Fleischman (2003) who found the significant relationship between moral intensity and ethical behaviour. Jones (1991) proposed six dimensions to determine the moral intensity including: Magnitude of Consequences, Social Consensus, Probability of Effect, Temporal Immediacy, Proximity, and Concentration of Effect.

Cultural Dimension

Culture is recognised as a key determinant of how individuals behave, more or less ethically, in the organization (England, 1975). It is also increasingly understood that culture is an attribute to aid management to determine how individuals respond and perceive the ethical standards in the organization (Singhapakdi, Vitell, & Franke, 1999). Cultural background will help an individual to define what appropriate and inappropriate behaviour should be taken. This construct, however, received less attention in major models of ethical decision making compared to other factors (refer to Table 1). Hence, in the next section, this factor is discussed

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