BUSINESS ETHICS: WHERE PHILOSOPHY AND PRACTICE COLLIDE

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ABSTRACT

This research investigates the decision-making process New Zealand business managers use when confronting potentially ethical dilemmas. Personal interviews were conducted using vignettes to provide situations where potentially ethical dilemmas needed resolution.

The perception that practitioners use utilitarian ethics when making business decisions was rejected. Managers identified and reasonably considered various facets of the dilemmas posed by the vignettes. However, it was noted that the decision making process regarding potentially ethical dilemmas is often difficult, confusing, and time consuming. The implications of these findings for management practice are discussed.

Introduction

Three objectives for this study were stated:
(1) illuminate the decision making process of a group of New Zealand managers involving potentially ethical dilemmas,
(2) test propositions derived from the literature and public perception of business managers; and,
(3) derive guidelines to assist managers in future.

Recently, managers have come under attack for being unethical. The general public are disillusioned with the way in which business is conducted. A variety of surveys indicate that the general public perceive business managers as being the least ethical of practitioners (Laczniak and Murphy, 1991). Business managers seem to be doing something "wrong" in their decision making given the widespread dissatisfaction of the general public (Laczniak and Murphy, 1991). Studies suggest that a large majority of the public view the lack of business ethics in managers as contributing to the decline of society's moral standards. The public's negative perception suggests that managers need to address the ethical principles that dominate their business conduct.

Popular media publicises business decisions that are considered to be of dubious ethical standards. For example, National Computers, a personal computer mail order business, ceased operating and left many customers without a computer or their deposit. The Avent brothers provided computers where the parts inside did not match the brand name it claimed to contain, secured deposits for computers that they did not provide, and misrepresented themselves to customers. Purchasers subsequently lost their money when the company closed, "until further notice to clear a production backlog" and attempts to contact the business failed (Keenan, 1994: 1). This example highlights one of the many instances where business managers make decisions that appear to ignore commonly accepted ethical standards and seems to be primarily concerned with economic and financial considerations.
The amount of media coverage of business managers' unethical behaviour, the increasing cynicism of the general populace toward business managers, and the anecdotal evidence of unethical behaviour indicates that business managers do not have the assistance or guidance necessary to enable them to make ethical choices. Considering this low public opinion, it appears that business managers may be neglecting to consider philosophical ethics when making decisions. This generally negative opinion raises the issue as to whether managers perceive ethics as a problem in business. This could indicate that managers are unaware of how to handle problems that contain ethical dimensions.

Managers may have a position on many ethical dilemmas, yet they may not have necessarily determined why they have these opinions or how to consistently apply ethical frameworks. The study of ethics can assist managers by providing reasoned principles that support one's position (or alter it in view of new information). It is generally perceived that businesses tend to subscribe to an ethical theory - usually accepted as being utilitarian in nature. However, with the stock market crash of 1987 and the subsequent detection of white collar crimes, it is necessary to understand the decision making process regarding problems with ethical dimensions.

One could consider ethicists as being able to make a unique contribution to business, in much the same way as they have to biomedical ethics:

First, as outsiders to the medical profession [business community], they often have a perspective on medical [business] practice lacking in those fully socialised into the profession, its ethos and assumptions. Important ethical issues can then be raised that otherwise would pass unnoticed. Second, ethicists can use their extensive systematic training in ethics to carry the discussion of ethical issues to a deeper and more sophisticated level. Issues can be placed in a broader ethical context and parallels with subtly related issues pointed out. Ethicists can call on their familiarity with the variety of arguments made in the philosophical ethics and medical [business] ethics literatures for developing and criticizing the positions taken by the [participants] ... ethicists can use their training to help [participants] to articulate, clarify, and understand the complexities of difficult ethical conflicts and choices. (Wartman and Brock, 1989: 752-753)

Practicing managers operate in a confusing, challenging environment with little guidance or assistance regarding how to tackle ethical problems. "Far too many business ethicists have occupied a rarefied moral high ground, removed from the real concerns and real-world problems of the vast majority of managers." (Stark, 1993: 38)

Most business education tends to overlook the teaching of ethics as part of the curriculum, meaning they may be ill-equipped to deal with decision making involving ethical dilemmas. Business managers often face ethical dilemmas that are not straightforward and between obvious right or wrong, good or bad, but between actions and values that contain elements of both, and the manager must choose an option. Considering the experiences of the medical community, philosophy and ethicists can make a valuable contribution to practicing managers and enhance a practitioner's available tool set to assist in managerial decision making. The task is not so much one of finding an ethical standard to use, but of applying a defensible principle that a manager may choose, and thereby improving the decision making process.

The assumption that managers are unconcerned with theory or ideology precipitated this research into how practicing managers make decisions, and investigation into methods by which the decision making may be "improved".
This study addresses the research gap by illuminating the decision making process involving potentially ethical dilemmas faced by New Zealand business managers.

Related Theory

"Ethics" and "morals" are generally used synonymously. However, it would be more accurate to define morals as the conduct or action undertaken, that are based on an individual's interpretation of a preferred code of ethics. "Ethics, or the inquiry into the principles regulating human conduct, is a discipline that has been a part of philosophy's concern since its origins with the Greeks" (Stewart, 1980: 343). Ethical problems and moral actions have been a contentious issue throughout human history. Philosophers have struggled with, and inquired into, the meaning and nature of ethics, morals, good, bad, right, and wrong. As a result, they have produced several ethical theories that have been advanced to guide decision making regarding situations that involve ethical dilemmas and moral judgements. The debate continues as no philosophy or religion has developed a universally acceptable definitive answer.

Moral judgements differ from statements of fact because there exists no conventional proof to which one can refer to settle an ethical dilemma. No appeal to ordinary facts can settle a dispute. Two people may agree on all the ordinary facts pertaining to the judgement, but disagree on whether it is right or wrong. Moral statements are judged in some way other than by examining some parts of the universe. Non-moral issues are outside the problem situation. Non-moral questions, for example, are whether one's pair of binoculars have a range of 500 metres - but whether one should use them to spy on a competitor's board meeting would probably constitute a moral issue. Moral principles are thought to provide the standard one can use to determine the truth of moral statements. (Barry, 1985)

If a particular moral judgement is defensible, then it must be supportable by a defensible general moral principle. Whatever one's judgement and subsequent action, a general moral principle should support them, thus one should be able to provide some supporting principle that, together with additional facts, entails one's moral judgement. Moral principles, therefore, play a fundamental role in forming a defensible moral judgement.

The legal system is useful for alerting managers to moral issues and informing them of their rights and responsibilities, however, it cannot be taken as an adequate standard of moral conduct. Conformity with the law is neither requisite nor sufficient for determining moral behaviour, any more than one's conformity to rules of etiquette. Nonconformity with the law is not necessarily immoral, for the law disobeyed may be unjust (Barry, 1985).

Presently, there exists no established religion or secular system for managers that resolves business situations involving ethical dilemmas or moral judgements. Additionally, the diversiveness of ethical theories that can be adopted (philosophy or religious based) and cultural diversity can result in conflicts as ethical issues are resolved. Moral principles are thought to provide the standard one can use to determine the truth of moral statements. There are various possible approaches to moral problems and decisions. Generally, one can classify these principles into teleological and deontological categories. These two categories have identified sub-categories that will be used for this research paper, namely:

* teleological: act utilitarianism, rule utilitarianism, and egoism
* deontological: act deontologist and rule deontologist.
Teleological Ethics

Teleology is derived from the Greek words telos (end, purpose) and logos (theory, science). Teleological ethics are based on the outcome or worth of behaviour. These theories argue that acts are morally right if they produce some desired end-state of goodness. Two sub-categories of teleology are utilitarianism and egoism.

Utilitarianism advances the notion that one should always act to produce the greatest good for greatest number of people, or failing that, perform the act that causes the least unhappiness to the most people. There are two sub-categories of utilitarianism; act and rule. Act utilitarians base their decisions solely on the consequences, selecting the act that provides the greatest good. Rule utilitarians evaluate the rule under which the action falls, and selects the act that leads to the greatest long term social good, but not necessarily so in the short term. However, short and long term is not usually defined, and these would be important in a business sense because if a business cannot survive in the short term, it will have no long term future. This dilemma may affect one's decision making by potentially causing one to select an action as a means to ensure long term business operation.

Ethical egoists on the other hand are morally concerned with what is best for self, and select the act that promotes the greatest good for themselves.

Deontological Ethics

Deontology is derived from the Greek words deon (duty, obligatory) and logos (theory, science). Rather than focusing on outcomes, deontological ethics are based on the intentions involved in choosing a particular act. These theories argue that there exists moral principles that are inherently right or wrong, independent of any particular circumstances. The individual, rather than society, is the focal point for deontologists. Most world religions adhere to sets of rules that respect certain immutable standards.

Kant's categorical imperative states that one should "act only according to that maxim whereby you can at the same time will that it should become a universal law ... this is the canon for morally estimating any of our actions." (1985: 947, 949) This type of deontological theory is called rule deontology, where the formation of rules and emphasis on obligation is most important. The action performed from duty or obligation must be regarded only by the action itself and its principle, not by the result once the action is completed. Generally the rules are unconditional, however, some exceptions are "allowed" but the danger is that when one qualifies a rule, it will be weakened and compromised. Qualifications to rules may modify the principle so it becomes more like act deontology.

Act deontologists assert that acts should be judged by the nature of the act itself. Philosophers, such as Sartre, argue that the rightness of a given act is independent of rules. (Fraedrich and Ferrell, 1992) The individual is the centre of meaning and value, and has the burden of responsibility for all actions. Act deontologists reason that particular acts are the proper subject matter of determining behaviour, and "that rules serve only as guidelines from past experiences. ... The distinction between act and rule deontology is that for act oriented deontologists the situational variables override the
rules, whereas with rule types, the rules override the situation" (Fraedrich and Ferrell, 1992: 285).

Rule versus Act

Rule deontologists and rule utilitarians base their decisions on rules that are immutable and equal in importance. This type of rule perspective will mean that the situational factors do not affect the decision maker's course of action, and altering the factors will not change their decision. Act deontologists and act utilitarians use acts to determine the rightness of behaviour. Therefore, altering the situational factors of an ethical dilemma will alter an act oriented individual's decision.

Philosophy Type Statements

The explanation or reasoning regarding one's decision is classified as a philosophy type when the decision making process applies a moral philosophy in the justification of that decision (Fraedrich and Ferrell, 1992). For this study, five philosophy types were presented from which the respondent would choose for justifying their decision:

(1) Rule Utilitarian
"If everyone {violated confidences/made under-the-table payments/polluted/omitted information to customers/cheated on their income taxes} no one would be able to trust anyone, and as a result, no one could really be happy or have peace of mind."

(2) Egoist
"My decision, whatever it may be, will lead to some goal for myself (i.e. {recognition, keeping my job, praise, power over the system, promotion, money})."

(3) Act Deontologist
"In this case, one has an obligation {not} to {provide information/pay the money/pollute/inform the customer/report the extra income}."

(4) Rule Deontologist
"{Divulging confidential information/providing money to individuals/polluting/misleading customers/cheating the government} is simply wrong, regardless of the results it might bring."

(5) Act Utilitarian
"Sometimes {providing information/paying money to get into a market/polluting the environment/misleading customers/not reporting extra income} is beneficial because it leads to {more competition, more efficient organisations, greater disposable income}."

These statements have been extracted from Fraedrich and Ferrell's research regarding the impact of moral philosophy on ethical decision making (1992: 293). By understanding how business managers resolve ethical dilemmas, it may be possible to incorporate philosophical ethics to assist business managers in dealing with problems.

Relevant Literature

Generally, past research has been mainly concerned with the theoretical aspect of business ethics, although a few empirical research articles regarding philosophical ethics and managerial decision making have been conducted primarily in the United States. Empirical research appears to be mainly quantitative. Articles published in the Journal of
Business Ethics were researched by Diana Robertson (1993) to determine the trends in empirical studies. It was concluded that survey methodologies have tended to dominate empirical business ethics research and it was suggested that other methodologies, such as qualitative methods, be used. Robertson " (1993: 595).also suggests focusing empirical research on theory building, stating, "empirical research is ... capable of making substantive contribution to theory

Empirical research into ethical decision making in New Zealand appears quite opaque and there exists a lacuna, or dearth, of information directly linking ethical decision making to philosophical ethics. Previous research has indicated that New Zealand's business managers' ethical standards are low (especially compared with US managers) and many senior New Zealand managers feel these standards are decreasing (Brennan, Ennis, and Esslemont, 1992). New Zealand research into methods for improving business managers' ethical decision making seems almost non-existent.

The research using vignettes by Fritzshe and Becker (1984) was sent to marketing managers, and classified responses mainly from a utilitarian viewpoint. Subsequent research using the developed vignettes concluded that practicing managers used utilitarian ethics when making business decisions (Premeaux and Mondy, 1993). Fraedrich and Ferrell (1992) expanded the use of vignettes by including ethical statements from which a respondent would select the one that they felt most appropriately described their reasoning behind their decision.

The amount of media coverage of business managers' unethical behaviour, the increasing cynicism of the general populace toward business managers, and the anecdotal evidence of unethical behaviour indicates that business managers do not have the assistance or guidance necessary to enable them to make ethical choices. It appears that the decisions business managers make are made solely from self-interest (egoism) and financial or economic considerations. The negative attitude toward, and perception of, business managers and their decisions needs further investigation to determine if business decision making could be improved with the assistance of philosophy.

This pilot study, which is qualitative in nature, begins to fill this research gap. However, it does not measure managerial ethical standards in New Zealand, but instead investigates methods that may assist managers in dealing with ethical dilemmas or possibilities for improving the ethical decision making process.

Research Propositions
This research was conducted with three propositions derived from the literature reviewed:
(1) Participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning.
(2) Participants may be incapable of identifying a potentially ethical dilemma within each vignette used in this study and for the open-ended discussion section of the research interview.
(3) Participants will not have considered the different, and conflicting, aspects of the ethical dilemma presented to them, considering non-financial and long-term aspects.

Research Design
The data gathering method for this study was through recorded personal interviews. The interview was structured into three sections:
(1) individual variables: personal factors and situational factors
(2) vignettes: five vignettes for problem solving and interpreting the decision making process
(3) open-ended discussion: business dilemmas the participant has faced and its resolution
The interviews were conducted at the participant's particular premises, and lasted for approximately 40 minutes each.

**Individual's Variables**

This section consisted of data collection of variables that are uniquely associated with the individual decision maker and situational factors that include a variety of situational forces. For this section, there were up to 31 questions asked.

The majority of the questions asked in this situation were developed with the guidance of Ford and Richardson's (1994) survey of empirical research into ethical decision making. This survey (Ford and Richardson, 1994) reviewed a variety of variables that have been postulated as influencing ethical beliefs and decision making. Their review indicates that a number of the variables are inconclusive. However, these variables were incorporated into this instrument due to the ease with which the questions could be included in the interview, and with their acknowledgement that, "the number of empirical studies is distressingly small." (1994: 219)

**Vignettes**

A vignette is a short descriptive story that has a situation sketched out which provides some standardisation to the context from which the respondent must decide upon a course of action. This means the responses to a particular vignette can be compared. Vignettes were chosen for this research because they tend to elicit higher quality data from the respondent compared with simple questions (Alexander and Becker, 1978).

A selection of five vignettes was used, and presented in the same order for each interview in case of "learning" occurring during the interviewing process. Each vignette described a decision containing a potential ethical dilemma.

The vignettes were selected from Fritzsche and Becker (1984) and Fraedrich and Ferrell (1992) with minor modification for the New Zealand business environment and the final vignette was used solely from Fraedrich and Ferrell (1992).

Conflict of interest situations arise when a manager has more than one interest that, if mutually pursued, may result in injury to individuals, external parties, or to the firm. Coercion and control problems occur when an external force attempts to compel a manager to make a specific decision by using threats, extortion, or other sources of power. Personal integrity issues occur when a decision raises issues of conscience. (Fritzsche and Becker, 1984) The fifth vignette was less business related than the first four to determine if the respondent deals differently with a personal integrity problem if it solely concerns the individual. The order and the categories of the presented vignettes were:

<table>
<thead>
<tr>
<th>Problem Category</th>
<th>Vignette</th>
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<tbody>
<tr>
<td>Conflict of interest</td>
<td>Vignette 1</td>
</tr>
<tr>
<td>Coercion and control problems</td>
<td>Vignette 2</td>
</tr>
<tr>
<td>Personal integrity issues</td>
<td>Vignette 3</td>
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<tr>
<td>Conflict of interest</td>
<td>Vignette 4</td>
</tr>
<tr>
<td>Conflict of interest</td>
<td>Vignette 5</td>
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</tbody>
</table>
Problem Category

Vignette
(1) Conflict of Interest
(betraying a trust)
Sherry Smith
(2) Coercion and Control
(bribery)
Rollfast Bicycle Company
(3) Conflict of Interest
(pollution of environment)
Master Millers
(4) Personal Integrity (business)
(information omission)
Rebecca Ward
(5) Personal Integrity (private)
(tax evasion)
Allan Bartells

The scenarios used were left primarily unaltered. The original Bill Smith in the Fritzsche and Becker (1984) study was altered to Sherry Smith in the Fraedrich and Ferrell (1992), and was left unaltered for this research. Jack Ward's name was changed to Rebecca Ward for this study to "even" the male/female mix.

The participants were asked to read (or have read to them) each vignette. After the vignette had been read, they were to indicate whether they would be likely to perform that specific act. Subsequent to the likelihood of whether to perform an act, they were questioned about their decision to determine their reasoning. After the participant explained their viewpoint, they were then exposed to five moral philosophical statements and were asked to rank them from the one that most appropriately accounted for their decision to the least preferred. The moral philosophies used were selected from Fraedrich and Ferrell (1992), in which they adapted Rest's (1975) Moral Content Test and Boyce and Jensen's (1978) moral test and modified it into a single-item measure for each of the five philosophy types.

The ranking statements were numbered from 1 to 5, with 1 being the most preferred to 5 being the least preferred.

Open-Ended Discussion
The participant was asked to recall a difficult business decision personally encountered and describe the scenario, events that led up to it, the resolution, and reflect on the situation. This section was unstructured and the content was controlled by the participant.

Response

There were thirteen participants interviewed. The individuals were selected in a quasi-snowball manner, where initial respondents were selected and additional respondents were obtained by referral from the initial respondents. The referred respondents were included after consideration was made for the participant's position, company profile, industry, and sector. The participants varied from small to large business, owners to managers, middle to top management, public or private sector, and business scope. Only two of the participants requested the interviewer to read the vignettes; the remainder read the vignette off a card, entitled "Story #".

Findings

Respondents Profile

The average respondent was 38 years of age, married with 2 children, mature, and tertiary educated. The average respondent was a non-practicing Christian with a belief in God. The average respondent had significant work experience, was employed by a company rather than working for themselves, and would be classified in New Zealand as one of the top 10% of income earners grossing about $80,000. They were well travelled, however, it must be noted that to travel outside New Zealand means it is necessary to cover long distances, for example, one of their closest neighbours - Australia - is 1,600 kilometres away.

Of the thirteen participants, seven were male and six were female. All participants identified themselves as European or Caucasian. Six of the participants were born in New Zealand. The remainder had European ties, either by being born in a Western European country or a former/present European colony country. Six participants had more than one nationality, and four had no New Zealand citizenship (but permanent residency status).

The respondents mainly had a world-wide outlook rather than limited or provincial scope to their thinking. Most had contemplated some form of applied ethical conduct through discussion with colleagues and/or reading. Participants appeared to be liberal thinkers within a capitalistic framework. The participants were responsible for decision making within the organisation for which they were working.

Six of the respondents spoke more than one language fluently, mainly modern European languages, but most had some familiarity with another language other than English. Not one was fluent in Maori.

The average number of years of education was 17 (there are 13 years of primary and secondary schooling in New Zealand), ranging from 9 to 22 years. Four respondents had no tertiary qualification, five had university degrees, and four had more than one university degree. One participant had a PhD.

Overall Findings
As a whole, act deontology was chosen as the most preferred philosophy type by 43% of the respondents. For the second ranking, rule deontology was chosen 34% of the time - tied with act deontology. Across all the vignettes, the ranking of the most preferred philosophy type to least preferred is:
1. Act Deontology
2. Rule Deontology
3. Rule Utilitarianism
4. Egoism
5. Act Utilitarianism

### PHILOSOPHY TYPES AND THE PERCENTAGE OF TOTAL TIMES CHOSEN

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Act Deo</th>
<th>Act Util</th>
<th>Egoism</th>
<th>Rule Deo</th>
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<td>2</td>
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<td>4</td>
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<td>15%</td>
<td>14%</td>
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<td>5</td>
<td>3%</td>
<td>49%</td>
<td>28%</td>
<td>8%</td>
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The respondents appeared to consider 1 and 2 their most preferred response, and 5 to be their least preferred. Respondents seemed to rank the "left over" statements into spots 3 and 4, generally feeling impartial or less "extreme" to those statements. Since the participants generally ranked the extremes (1 and 5) easily, it probably explains - for example - why egoism ranks higher than act utilitarianism since more disliked act utilitarianism and wanted it last.

This means that for each vignette, 43% of the respondents would generally believe in that particular situation one has an obligation to behave in what they believe is an appropriate, ethical manner given the circumstances. Almost half of the respondents were unlikely to justify their decision as an exception for this particular situation because of some perceived future benefit that may arise from making a questionably unethical decision at present. The implication of this is that these managers' decisions are not based on outcomes or based on producing the greatest amount of good for the greatest number of people. Instead, these managers focus on the intention of the act and believe that there exists certain standards to which one must behave and one's obligation is most important. However, the acts should be judged by the nature of the act itself for these managers, and not based on a set of rules.

Thus, research proposition (1) stating that participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning is rejected.

Some participants felt the ranking statements were too strongly worded for their liking, as they felt more moderate than the way in which the statements were worded. This could be a cultural difference between New Zealanders and Americans, or it could be that the
respondent may have used a different philosophy type than the five listed in the ranking statements. However, when the respondent was pressed to express what they really felt, usually they were unable to think up an alternative statement that justified their decision. Sometimes a respondent felt that none of the statements reflected their viewpoint, believing their choice was based solely on pragmatic reasons than by any philosophical ideology.

The danger of having no ideology is that a manager will not have a principle by which to measure the truth of the moral statement. Some respondents claimed to have no particular ideological belief that they used to judge their decisions. These respondents did have a particular way in which they viewed the world, however, it is difficult to ascertain if it would alter significantly and rapidly over time. The appeal to pragmatism has the potential for managers to be manipulated by external controls and to be inconsistent in their decision making. To increase consistency, it may be preferable for a manager to have a chosen underlying ideology that is fortified by experience.

On the whole, the participants were inconsistent as to their preferred philosophy type, meaning they would use different philosophy types to justify their decision for each vignette. Only one person was consistent about their preferred philosophy, and this may indicate that the other respondents were generally "act" oriented or that this respondent is ethically sophisticated. Four respondents did consistently choose a deontological ethics category as their preferred decision justification. There are minor differences between the philosophy type chosen by men as compared with women, but it was not significant, except that the male ratings were more extreme than the women. Men appear to prefer a rule philosophy while women tend to select an act philosophy. One could postulate that women in this culture are generally expected to be more compromising than men, and therefore evaluate each situation individually before choosing an action. The female respondents opted for a teleological philosophy for the bribery vignette, which was the only exception to choosing a deontological philosophy for both genders for all the other vignettes. This may exemplify that the situational variables will alter the decision maker's preferred "justification" method.

Act utilitarianism is the most consistently, and strongly, disliked justification method for the respondents. This may be due to the wording of the vignettes and ranking statements. It may also be due to the respondents tending to know what they dislike quickly and adamantly, but being less decisive about what they like.

People employed for less than 10 years are the only group likely to prefer egoism, which one may postulate is linked to experience and maturity.

In cases concerning direct money (for example, bribery and tax evasion), the respondents tend to be split in their responses. This could indicate that a company needs to be explicit about their money/spending policy within the organisation.

Specific Findings: Vignettes
Vignette One: Sherry Smith and the Computer Company

The first vignette presented to the respondent represented a potential conflict of interest. It meant the possible betraying of a trust could occur. The following story was presented to the participant:
The Vignette
Sherry Smith has recently accepted a job with a young aggressive computer company. Computer companies are engaged in intense competition. Smith's former employer is rumoured to have developed a confidential in-house software package which is easily used by manager. When Smith was hired she was led to believe her selection was based on her management potential. However, the morning beginning the third week of her new job, Smith received the following memo from the company president: "Please meet with me tomorrow morning at 8:15 for the purpose of discussing your former employer's software package."
The respondent was then asked, "If you were Smith, what are the chances you would provide your new employer with the software information?" After the response, the following statements were presented to the participant and they were requested to rank these five philosophical statements according to the one they think most describes how they think or feel to the least:

(a) Rule Utilitarian
"If everyone violated confidences no one would be able to trust anyone, and as a result, no one could really be happy or have peace of mind."
(b) Egoist
"My decision, whatever it may be, will lead to some goal for myself (i.e. recognition, keeping my job)."
(c) Act Deontologist
"In this case, one has an obligation {not} to provide information."
(d) Rule Deontologist
"Divulging confidential information is simply wrong, regardless of the results it might bring."
(e) Act Utilitarian
"Sometimes providing information is beneficial because it leads to more competition."

Ranking Results

Rule utilitarianism and rule deontology were tied as the most preferred philosophy types for this vignette, indicating the participants began with using a "rule" philosophy when finding a solution. This means the managers based their decision on rules that are immutable and equal in importance, and 38% of the respondents would not alter their decision if one changed the variables in the vignette. The majority of the managers did not agree that providing information to the new employer would be beneficial.

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<tr>
<th>Rank</th>
<th>Philosophy Type</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1</td>
<td>Rule Deontology &amp; Rule Utilitarianism</td>
<td>38</td>
</tr>
<tr>
<td>2</td>
<td>Act Deontology &amp; Rule Utilitarianism</td>
<td>38</td>
</tr>
</tbody>
</table>
Descriptive Quotations

The richness of the responses aids in illustrating the decision making process the participants adopted when faced with the potential ethical dilemmas in the vignettes. To give further insight and substance to the answers, several quotations were selected to represent the essence of the participants' responses. The participants were unanimous in their reluctance to provide their new employer with the software information. Several were adamant that they would not provide any information. However, a few would evaluate the situation and think it would depend on mitigating circumstances. There were some basic arguments that arose for this vignette:

(a) Confidentiality
Most were adamant about not providing any information about the software that was confidential. The consensus was that the confidential information belonged to the previous employer and legally one would be infringing on their property rights. Confidentiality agreements signed with the previous employer was also cited as a main reason why they would not divulge the information.

The previous employer has intellectual property rights in relation to that package. She probably, or she should have, signed up a confidentiality agreement with her previous employer, but even if she didn't, it is not hers to sell or disclose. One person sums up the New Zealand business environment, and how breaking the confidentiality of a former employer will effect someone:

The basic business rules that I think operates in New Zealand, we're a pretty small country and it's a pretty small industry from what you are talking about there, reputations are very hard to earn and very easily lost ... those sorts of things get known very, very quickly and I don't think you can afford to do that sort of thing.

(a) The Golden Rule ("Do unto others ...")
Several of the participants raised the issue that this employer would expect a certain standard of behaviour from an employee. The respondents questioned how the employer could request you to behave in a manner in which they would not want you to act with another party.

I can't see how a company can expect you to conduct yourself in a way you should be with them and then on the other hand ask you to be disloyal and disreputable to what was simply your previous employer.

(a) Employer's Trustworthiness
Some of the participants raised the issue about the employer's intentions when they hired the person. One felt very strongly about this issue, stating:

It would be like being hired because you got good legs ... and I would feel a great blow to my ego if this happened to me which would make me quite angry because I would see them as having been dishonest and lied to me about my potential and my capability and I would be angry about that.

Some felt that the employer did not deserve to gain an advantage "unfairly":

And these lousy buggers haven't done anything worthwhile to gain that sort of advantage! That's not an acceptable way to do business.

**Research Propositions**

The research propositions presented for this vignette were accepted or rejected as follows:

1. Participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning.
   The preferred philosophy type was split, making this statement difficult to wholly accept or reject.

2. Participants may be incapable of identifying a potentially ethical dilemma within each vignette.
   The participants identified the ethical dilemma, with some stating it was a confidentiality issue that related to the conflict of interest or betraying a trust. Thus, this premise is rejected.

3. Participants will not have considered the different, and conflicting, aspects of the ethical dilemma presented to them, considering non-financial and long-term aspects.
   Some participants had generically dealt with similar issues or discussed it with colleagues. Others went through their reasoning process while determining their decision for this situation. More than just financial considerations were discussed by most, and generally the non-financial issues were felt to be more important. Thus, this premise is rejected.

**Vignette Two: Ed Johnson and Rollfast Bicycle Company**

The second vignette the respondent was presented portrayed a potential coercion and control issue. The following story was shown to the participant:

The Vignette

Ed Johnson is in charge of market development for Rollfast Company. In the past, the company has been barred from entering a market in a large Asian country by collusive efforts of the local retail corporations. Rollfast could expect to net $550 million per year from sales if it could penetrate this market. Last week a businessman from the country in question contacted Ed and stated that entry into this market could be had for an "under-the-table payment" of $500,000.

The respondent was asked "If you were Ed Johnson, how likely would you be to pay the money?" Then the following statements were presented for ranking purposes:
(a) Rule Deontologist
"Providing money to individuals is simply wrong, regardless of the results it might bring."

(b) Act Utilitarian
"Sometimes paying money to get into a market is beneficial because it leads to more efficient organisations and more competition."

(c) Rule Utilitarian
"If everyone made under-the-table payments, no one would be able to trust anyone, and as a result, no one could really be happy or have peace of mind."

(d) Egoist
"My decision, whatever it may be, will lead to some goal for myself (i.e. praise, power over the system, promotion)."

(e) Act Deontologist
"In this case, one has an obligation {not} to pay the money."

Ranking Results

The most preferred option was rule utilitarianism, as well as the least preferred option. This situation highlights the difficulty one would have in resolving this ethical dilemma. The respondents choosing rule utilitarianism as their justification would have difficulty explaining their decision with those who dislike rule utilitarianism as a justification for this vignette. The monetary nature of this vignette may explain the extreme like and dislike of rule utilitarianism.

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Descriptive Quotations

The following quotations were selected to represent the essence of the participants' responses to this vignette.
The participants were split in their decision whether to pay the under-the-table amount to enter an Asian market. Six would be likely to pay the money, six would be unlikely to
pay the money, and for one it would depend. Most wanted to obtain more information or clarify the situation. Most of the participants tried to redefine the problem so they would not have to confront or deal with the issue of bribery at all. The opportunity for earning such a large amount of extra revenue was difficult for any of the participants to dismiss out of hand or categorically. Most had an "act" orientation to this vignette. Almost all the participants had a relative perception to doing business in this manner. The basic arguments that arose for this vignette were:

(a) Prevailing Business Practice in that Culture ("When in Rome ...")
The basic defence for choosing to bribe to get into an Asian market was to explain that it was an acceptable, and expected, manner in which business is conducted. To some extent, there appears to be a generally held belief that there exists one set of behaviour for "us" (New Zealand managers) and another set for "them" (people from places other than New Zealand). The morality and business ethics are quite different in Asia. Asia is the business environment where you play by different rules and sometimes ... you have to mirror the behaviour of the people you are dealing with. You aren't going to change the way of doing business that's been done that way for centuries. The conflict is that this is an acceptable way to do business in this country therefore one is almost being culturally insensitive saying that I refuse to be a part of your cultural baggage because in my country we don't do that sort of thing. Another person would bribe partly due to the perceived "unfairness" of the other country's business practices. I would pay the money because of opportunity first for the sales, also I don't know if collusive efforts by the retail corporations is really that good in itself.

(a) Legal Implications
Several participants were concerned about the legality of an under-the-table payment and about being caught. If there is a law against it, I wouldn't do it, I wouldn't break the law. A direct under-the-table secret commission arrangement that I had to pay, I would feel very bothered by that because it's against the law anyway in the country in which I'm operating. I suppose where I wouldn't was that it was something where disclosure of that practice could actually materially affect the standing of the business from an international perspective.

(a) Other Solutions
Various methods for avoiding dealing with this vignette included finding other markets where this practice did not occur, entering into this market through other efforts, using an agent to arrange market access, or looking for employment elsewhere. Several people were uncomfortable with the practice of pay-outs, and wanted to avoid the issue rather than dealing with it. It's like tipping. I think tipping is a horrendous practice, as far as I'm concerned. It stinks, it's awful. ... I'm very comfortable in a country, say like Japan, no tipping ... But
other people who are accustomed to it have an entirely different view ... this is just the way we do business, so what's the big deal? ... I accept it's very ethnocentric.

I think I would probably look for another job because I'm not comfortable with it. Regarding the legality of the action, one participant stated:

Presumably if it is worth that much money, there's got to be another way around it anyway, but a legal way around it.

Abdication of the responsibility was performed through appealing to agents or acting in the company's best interests.

I think it is a clear conscience, and in a way using an agent is the same thing except at least an agent you'll know - if you know him well enough - you can rely on him to make the right decision.

I would be quite comfortable with an agent that would deal with that because they understand the business practice and what is appropriate and what isn't appropriate.

If it was a benefit to me, I wouldn't take it. But if it was for the company, then...

Research Propositions

(1) Participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning.

The preferred philosophy type was utilitarian. Thus, this premise is accepted.

(2) Participants may be incapable of identifying a potentially ethical dilemma within each vignette.

The participants identified the ethical dilemma, mainly that it was a bribery issue. Thus, this premise is rejected.

(3) Participants will not have considered the different, and conflicting, aspects of the ethical dilemma presented to them, considering non-financial and long-term aspects.

Some participants had generically dealt with similar issues or discussed it with colleagues. Others went through their reasoning process while determining their decision for this situation. Mainly financial considerations were discussed, but other issues were also raised. Thus, this premise is rejected, although with some reservation.

Vignette Three: Master Millers and the new Flour Product

The third vignette represented a potential conflict of interest where the environment is the one that may be negatively affected.

The Vignette

Master Millers has developed a special milling process which yields a wheat flour which when used for bread provides a lighter more uniform texture than conventionally milled wheat flour. Unfortunately, the process gives off more dust than the emission control equipment presently installed can handle and still maintain emissions within legal limits. Due to lack of availability, the company is unable to install new emission control equipment for at least two years; however, if it waited that long to introduce the new process, competitors would be very likely beat it to the market. The general manager wants to use the new process during the third shift which runs from 10pm to 6am. By using the process at that time, the new flour could be introduced and the excess pollution
would not be detected due to its release in the dark. By the time demand becomes great enough to utilise a second shift, new emission control equipment should be available.

The respondent was then asked, "If you were responsible, what are the chances you would approve the general manager's request?" The following statements were presented for ranking:

(a) Egoist
"My decision, whatever it may be, will lead to some goal for myself (i.e. keeping my job)."
(b) Act Deontologist
"In this case, one has an obligation {not} to pollute."
(c) Rule Deontologist
"Polluting is simply wrong, regardless of the results it might bring."
(d) Act Utilitarian
"Sometimes polluting the environment is beneficial because it leads to more competition."
(e) Rule Utilitarian
"If everyone polluted, no one would be able to trust anyone, and as a result, no one could really be happy or have peace of mind."

Ranking Results

For this vignette, act deontology was preferred by 54% of the respondents. This means that managers think that given the circumstances described for this situation, one has an obligation to act in such a way one would want others to act. Both deontological philosophy types ranked highly for this vignette. This indicates that the respondents thought that it was necessary to focus on the intentions involved in choosing a particular action, rather than the outcomes from that decision. The respondents rejected more competition as a reasonable justification for choosing to pollute the environment.

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The results of the rankings indicates that the participants are more inclined to agree with one another as to which justification would be acceptable. In this instance, there exists the biggest majority against act utilitarianism as a justification.

**Descriptive Quotations**

The quotations cited in this section illustrate the decision making process the participants adopted to help solve the potentially ethical dilemma. For this scenario, eleven of the participants would not opt to pollute, but this was not necessarily a strong conviction held by those who would not pollute. The remaining two respondents would be split between deciding whether or not to do it. The most cited argument for not polluting was the threat of detection and its subsequent repercussions on the business in the long term. The most cited reasons for this vignette were:

(a) Threat of Detection
Even though the shift was going to operate at night, it did not alleviate the majority's feeling that they would be detected nonetheless, and the penalties would outweigh the benefits for the company.
If you try doing those sort of things, that they are proposing there, ... it really comes back to cause you grief at some stage in the future so you are better off not to do it in the first place...
It's more likely to rebound on you very badly in a business sense. You could lose a heap of credibility if you were caught out.
It can't be a clear yes, but there are some possibilities in there that would make it. There are some steps to take to at least look at it. Doing it under the cover of darkness is not a viable way to do it.
I mean if you think you're not going to get caught, that's just stupidity! You'd be stupid too. What are you going to do, pump garbage into the air and somehow because you put it out at night, it's all right ... ?

(a) Regulations/Legal Implications
The fact that there exists some sort of guidelines, regulations, or laws appears to be an effective enough deterrent not to pollute.
If the emissions were outside the legal bounds, I probably wouldn't approve the general manager's request ... If it were law, I wouldn't ...
Those regulations are there to protect the environment and that there has to be a time when business people, especially in this day and age, are socially responsible in terms of protecting the environment which they operate in. A combination of regulations and environmental concern is why I wouldn't do it.

(a) Environmental Factors
Most of the participants seemed to have a heightened awareness of the environment, and the concern society has started to place on it. This could be explained by the media coverage these issues have received; however, this was a justification used by several for opting to not pollute.
I think if all organisations did that you would defeat the purpose of any environmental attempts to control environmental pollution.
The environment is getting more and more important to us, and the consequences - both political and financial - are getting more and more horrendous.
Too many people are impacted on that decision that have no knowledge about what is happening to them ... this would have sociological impact ... there's an immediate impact on any residents or the next future generation that comes along.
I would nearly be tempted to run it during the night. Not if it hurt my staff, and it would, and that's why - the flour gets in your lungs.

**Research Propositions**

The research propositions presented for this vignette were accepted or rejected as follows:

1. Participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning.
   The preferred philosophy type was not utilitarian. Thus, this premise is rejected.
2. Participants may be incapable of identifying a potentially ethical dilemma within each vignette.
   The participants identified the ethical dilemma. Thus, this premise is rejected.
3. Participants will not have considered the different, and conflicting, aspects of the ethical dilemma presented to them, considering non-financial and long-term aspects.
   Financial considerations were not discussed by most participants, and generally non-financial issues were felt to be more important. Thus, this premise is rejected.

**Vignette Four: Rebecca Ward and the Auto Manufacturer**

The fourth vignette presented to the respondent dealt with information omission, and was a case of raising an issue of conscience. This situation represented the personal integrity dilemma in a business environment.

The Vignette

Rebecca Ward is working in product development for an auto parts contractor. Ward's firm received a large contract last summer to manufacture transaxles to be used in a new line of front wheel drive cars, which a major auto manufacturer plans to introduce in the near future. The contract is very important to Ward's firm, which has recently fallen on hard times. Just prior to obtaining the contract, half of the firm's employees, including Ward, has been scheduled for an indefinite layoff. Final testing of the assemblies ended last Friday and the first shipments are scheduled for three weeks from today. As Ward began examining the test reports, she discovered that the transaxle tended to fail when loaded at more than 20% over rated capacity and subjected to strong torsion forces. Such a condition could occur with a heavily loaded car braking hard for a curve down a mountain road. The results would be disastrous. The manufacturer's specifications call for the transaxle to carry 130% of its rated capacity without failing. Ward showed the results to her supervisor and the company president who indicated that they were both
aware of the report. Given the low likelihood of occurrence and the fact that there was no
time to redesign the assembly, they decided to ignore the report. If they did not deliver
the assemblies on time, they would lose the contract. Ward must now decide whether to
show the test results to the auto manufacturer.
The respondent was asked, "If you were Ward, what are the chances you would notify the
auto manufacturer?" After the response, the following statements were presented for
ranking:

(a) Act Utilitarian
"Sometimes misleading customers is beneficial because it leads to greater disposable
income."
(b) Rule Utilitarian
"If everyone omitted information to customers, no one would be able to trust anyone, and
as a result, no one could really be happy or have peace of mind."
(c) Egoist
"My decision, whatever it may be, will lead to some goal for myself (i.e. money, keeping
my job)."
(d) Act Deontologist
"In this case, one has an obligation {not} to inform the customer."
(e) Rule Deontologist
"Misleading customers is simply wrong, regardless of the results it might bring."

Ranking Results

For this vignette, act deontology was the majority's preferred philosophy type. This
meant that the respondents felt that there existed an obligation in this situation to inform
the customer of the report. Justifying the decision by claiming more disposable income
was rejected by the majority of the managers.

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Descriptive Quotations

To gain insight into the richness of the decision making process, a range of selected
quotations is presented.
This vignette had ten participants decide to tell the auto manufacturer, and three who opted not to divulge the information. The consensus was that it would be a task that they would not particularly relish performing, but in this situation, it would be something that would need doing. Most of the respondents were worried about losing their job. One of the arguments against telling the auto manufacturer was pragmatically - and unfortunately - based on probably what would occur. For example, problems arose regarding who should be told, who would listen, and who would believe the information? The rest opted for other reasons behind why they would alert the auto manufacturer, and the main ones were:

(a) Public Safety Concerns
Several participants were concerned about the end-user repercussions, and how they would not be able to feel good about themselves if they knew they had contributed to someone's death.
I couldn't stand to have something come up on the TV three months later - a family died and they found that people actually knew about this report and you were one of them and you actually hadn't done something that would be like crap ... Maybe it's external control but that would feel like that, let alone knowing a family had died ... I think it would come down to a choice of possible loss of life versus you keeping your job and you can always get another job but you can't bring back a life.
The implications of that ... are too serious to ignore from the point of view of the potential for the fault to affect others, not just this company, but also in terms of other innocents ...
Because I think the public safety issue is greater than the immediate job gain.

(a) Contractual Obligation
As a justification for notifying the auto manufacturer, a few of the participants felt that the company was not fulfilling its contractual obligations. These respondents thought it was the responsibility of their company to inform the auto manufacturer about the report.
From a business perspective you would knowingly be breaching the contract because you are not meeting the purchaser's specifications.
We got a contract with them to supply some equipment to a certain specification and we are not going to meet the specification ... we simply have got a contract, and to me, we've got a contract with the customer and you're not meeting what's specified in the contract and it's quite obvious ...

(a) Other Factors
The following sentiments seem to capture some of the feelings the decision maker would have if faced with this dilemma, which would need resolving:
I'm not opposed to profit, I just happen to think there are other things as well as profit which are important factors which sit as highly or are counterpoising - rather than sitting one thing on a pinnacle - it's crazy. So it's not profit at any cost.
The chances of actually having something like that come back and impact on the company in some stage in the future are very high indeed ... probably even more disastrous results than the results of actually losing the business ... Damn the
consequences. In this case, it's a pretty easy sort of option anyway, because I'm going to get laid off!
You'd like to know that it wasn't you sitting in that car going down the hill and things going wrong as well.
More likely than not [the auto manufacturer] will simply think this is a disgruntled, about-to-be-ex employee, so why should I listen to that - it's just because of sour grapes.
... She wouldn't get anywhere.

Research Propositions

(1) Participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning.
The preferred philosophy type was not utilitarian. Thus, this premise is rejected.
(2) Participants may be incapable of identifying a potentially ethical dilemma within each vignette.
The participants identified the ethical dilemma, one stating that it was clearing a whistle-blowing exercise. Thus, this premise is rejected.
(3) Participants will not have considered the different, and conflicting, aspects of the ethical dilemma presented to them, considering non-financial and long-term aspects.
Financial considerations were least important to participants. Thus, this premise is rejected.

Vignette Five: Allan Bartells and the IRD

The fifth, and final, vignette presented to the respondent involved the issue of tax evasion, and was another case of raising an issue of conscience. This situation represented the personal integrity dilemma in a private context.

The Vignette

Allan Bartells did some odd jobs for neighbours (i.e. painting, building sheds and garages, etc.) and was paid substantial sums of money. Allan knows that these moneys go unreported. At tax time, Allan considers his options of reporting the extra income or not. He knows that the IRD will never find out about the extra income.
The respondent was then asked, "If you were Bartells, what are the chances you would report the extra income?" The following statements were presented for ranking:

(a) Act Deontologist
"In this case, one has an obligation {not} to report the extra income."
(b) Rule Deontologist
"Cheating the government is simply wrong, regardless of the results it might bring."
(c) Act Utilitarian
"Sometimes not reporting extra income is beneficial because it leads to greater disposable income."
(d) Rule Utilitarian
"If everyone cheated on their income taxes, no one would be able to trust anyone, and as a result, no one could really be happy or have peace of mind."
(e) Egoist
"My decision, whatever it may be, will lead to some goal for myself (i.e. money, power over the system)."

Ranking Results

For this vignette, act deontology was chosen as the most preferred philosophy type. This meant that the managers felt one had an obligation to act in a certain way. However, in this situation, the respondents were divided between the obligation to report the extra income or to not report it. The managers felt the justification that not reporting the income would lead to greater disposable income was not sufficiently persuasive enough for them to want to adopt it.

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Descriptive Quotations

The focus of this vignette was less on business per se and more on the individual. As a result, the opinions for this vignette are more divided than on the other four. Five people would report the extra income, while eight people would not report the extra income - although three of them would report it once the income became "substantial". The general sentiments regarding making a decision were:

(a) Social Contract
Several participants were concerned about the benefits the tax dollar contributed toward, and as they enjoyed the provision of these services, would be influenced to pay a "fair" portion of tax. This did not mean that in this circumstance they would report the extra income.
I really want the benefits ... I want to have a health system that works and an education system that works and stuff. I'm happy to pay tax for some things - education, health care - I'm not happy to pay tax for people on the dole ...
The point is you are cheating all the other people who pay taxes of something that the taxes are going to. The taxes are a means to an end. Health, education, defence, roading - so whilst you are busy tucking some stuff away, someone else is basically going to have to pay more or there is going to be less to spend on those things. ... We cruise along as if we were basically individuals or small units, but in fact we are heavily dependent on a whole lot of people for a whole lot of stuff most of the time even if we are going around oblivious to it all - and there's that sort of social fabric which basically is what we are cheating on.

(a) Personal Experience and Self Interest
As an explanation for their decision, many of the participants reflected on their actions in the past. For example, if they had ever cheated on their tax form, they seemed to feel obliged to say they would not declare the extra income. Others seemed to feel that it was a national pastime to try and avoid paying tax to the government. These respondents treated tax evasion like a kind of game where if you were not caught, you received enormous personal satisfaction.
I'm a naughty boy and I like cash. ... Somehow defrauding the tax department seems ... pleasant somehow, I don't know how we can admit to that, but it does!
I think it's almost an in-bred feeling that you can in certain circumstances get away with screwing the tax man. And you generally pay tax on everything, so if you can get way without paying some tax then do it.
It depends on what you term "substantial" ... if you do odd jobs and so on, and someone pays you cash for it or gives you two dozen beer or whatever ... you don't do it for the purpose of earning money. You help out and get paid for the help and that's a bit different. But if it's for the purpose of earning income, you ought to be paying tax on it.

(a) The Risk of Getting Caught
The sentiment of several appeared to be that, in the end, someone would find out and they would get into some kind of trouble. It appeared to depend on whether they felt they could provide a reasonable explanation why the tax had not been paid which would be acceptable to the tax department. There would come the time when a threshold would mean I would declare it, but only because I'd get caught. The IRD would find out about the extra income at some stage. I believe in loose mouths by other parties. This is lots. They'd find out.
Is it the fear of getting caught? - I suppose that's a nagging one, you never know what someone is going to say to someone else and the next thing you know you're reported in the paper and all the rest of it. Because I like to operate within the law, and I also believe in taxation, otherwise how would they pay me [laughs]?
(1) Participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning.
The preferred philosophy type was not utilitarian, although a utilitarian philosophy did rank higher than the previous two vignettes. However, the percentage preferring a non-utilitarian philosophy was over half. Thus, this premise is rejected.
(2) Participants may be incapable of identifying a potentially ethical dilemma within each vignette.
The participants identified the basic ethical dilemma. Thus, this premise is rejected.
(3) Participants will not have considered the different, and conflicting, aspects of the ethical dilemma presented to them, considering non-financial and long-term aspects.
Financial considerations were generally the most important aspect to participants; however, consideration was given to the social implications as well. Thus, this premise is rejected.

Recounting Participant's Experience

The vignettes may have had an impact on the examples that the participants volunteered to recount for this section, as there were three examples of disclosing confidential information and two of whistle-blowing. Three managers deftly succeeded in not addressing the question, instead speaking in generalistic terms about the manner in which they made decisions. Three managers described redundancy type situations with restructuring and having to choose between personalities within their organisations. The remainder were business decisions that are unique.
The general sentiment appears that the individuals evaluated each scenario based on the circumstances surrounding it. Thus, they seemed to be act oriented in their philosophy type.
Specific Findings: Context Analysis
Throughout the interviews, there were some recurring words that all respondents felt were important factors regarding one's business environment and business decision making. These key words were:
* Trust and Mutual Trust
* Honesty - Up-front
* Relationships
* Truthful
* Confidence
* Reliable - Consistent
* Respect

It is noteworthy that these words have a particular meaning in philosophy. People generally tend to apply some kind of value to these words, and these constitute moral values held by the respondents. Many of the participants felt that without some (or all) of the above factors it became very difficult to make decisions and conduct oneself ethically in the business environment. Moral values can translate into an action, and the respondents' actions are entrenched in these values.
The respondents explained that external control tends to have a significant influence on their decision making, whether the influence be from the law, media, or codes of conduct. This has interesting implications, mainly if one creates some form of external guidance, managers will alter their behaviour for fear of reprisal. This could prove a very powerful method in which to improve manager's decision making process.

**Legislation**

There appears to be some support for increasing the amount of legislation that already exists to help guide business managers' behaviour. While this will be an effective method to try to alter the rules of behaviour, it may not affect act oriented managers. However, if the rules alter the given factors of a specific situation, one could argue this would also be an effective deterrent for both act and rule oriented decision makers. The quotations cited illustrate how more legislation may improve business managers' decision making:

* Even if the law is an ass, I wouldn't break the law.
* If I'm working for a company, I have to work within the law.
* I would [act honestly] ... probably because I have this fear of being locked up or something.
* Because everyone is watching you ... The Commerce Act is a very strong deterrent. It guides our behaviour.
* If there is a law against it, I wouldn't do it, I wouldn't break the law.
* If it were law, I wouldn't [break the law].
* Because I like to operate within the law.

**Media**

Media coverage is another important deterrent that will influence manager's decisions:
* I couldn't stand to have something come up on the TV three months later - a family died and they found that people actually knew about this report and you were one of them and you actually hadn't done something that would be like crap ... Maybe it's external control but that would feel like that, let alone knowing a family had died ...
* You never know what someone is going to say to someone else and the next thing you know you're reported in the paper and all the rest of it.
* You could lose a heap of credibility if you were caught out.
* I mean if you think you're not going to get caught, that's just stupidity!

**Codes of Conduct**

The ability for a company and senior managers to influence a manager's decision appears to be a fairly strong external influence. Thus, companies can develop and implement Codes of Conduct that will have some effect on business decisions made by their employees. Encouraging managers to discuss ethical dilemmas with a business ethicist could also influence - and potentially improve - the decision making process. It is important to have someone who can assist the manager in identifying the different principles and viewpoints that can affect a decision.
* I would discuss it, and I would also want to open up the discussion to my boss or my board or to whoever that would be, and give them an opportunity. ... I mean essentially you have to make your own decisions, but it's very important that you are in tune with the overall thinking of the organisation. ... I think it is important to take soundings before you make decisions because if you don't, it's quite difficult to make decisions in an environment where they are off the boil in terms of where your board are coming from.
* I discussed it with one of my senior managers, not so the senior manager could make the decision on my behalf but so that I could get, I suppose, a bit of experience added to mine.
* There are things ... whether they are highly codified or not - that I've absorbed as part of the way in which I work. ... Maybe I have the privilege or the benefit of working for a public sector organisation, where the company is not on the bones of its backside and going to go out the door. Whatever the arguments about that, it's not the way how we do things.

**Education**

Another way in which a company may influence decision making with the organisation would be to simulate or discuss potentially ethical dilemmas and the courses of action the organisation may expect from their managers. Literature or simulation may not provide solutions to specific problems, but it is "a useful ingredient in the process of strengthening moral reasoning about those problems" (McAdams and Koppensteiner, 1992). This would also better prepare managers for future situations in which they may face a difficult decision.
* The prewarned, prearmed sort of approach.
* I've been involved in decision making where the decision's been very hard. ... They don't always come up as black and white, you know where what should I do, A or B and the merits of both are the same. They're not, it's usually a trading process ...

**General**

The respondents stated many of the concepts regarding the different philosophy theories presented in this study. A few quotations from the participants are used to illustrate the various concepts:

   ACT  versus  RULE

* If I'm given more information my answer may be entirely different.
* It depends.

* I made that decision, and I'll live with the consequences whatever that may be, negligible or significant.

The respondents tended to be ethical relativists, especially when dealing with the issue of bribery in a foreign country, as illustrated in Vignette Two. This may be due to the extent of overseas travel this respondent group has experienced which has meant they
have become more liberal and tolerant to other cultures. The following statements illustrate the relativist attitude many seemed to hold:
* But you know, there's all shades of grey too in these things ...
* The morality and business ethics are quite different in Asia.
* It depends.
* Asia is the business environment where you play by different rules and sometimes ... you have to mirror the behaviour of the people you are dealing with.
* It can't be a clear yes, but there are some possibilities in there that would make it.
It was difficult to determine whether there existed clear cases of idealism versus pragmatism, however, the two following quotations are added to illustrate the richness of a manager's decision making process:
* I couldn't say that I would stand by and let that happen ... Whilst I believe that was the case, I couldn't for sure say that I wouldn't do that myself. I was more extreme when I was young, and now I'm more tolerant. "Worldly wise" my father would say. So the issue was to do with the scale of something.
* I'm not, I don't see my business decision making operating in a pure ideological framework, of say an economic framework. ... I think you make those sort of trade offs ultimately from a pretty pragmatic base, not necessarily from an ethical base. So, I mean you ask the question about pollution - I don't like pollution personally - but I don't see it as my job to be an advocate against pollution. In my role, I see myself as being neutral, but if I'm working for a company, I have to work within the law.
Artefacts and Limitations
To achieve the aims of this research, the chosen methodology had to provide depth rather than breadth and thus a limited number of respondents were examined in detail. This means that the responses delved into the substance of the decision making process involving potentially ethical dilemmas. Therefore, the respondents may not be representative of all New Zealand management.
* Language
There could be a cultural difference between New Zealanders and Americans, from which the vignettes and their wording were adapted. To illustrate, New Zealanders tend to define the word "excellent" differently to Americans. Rarely do New Zealanders classify something as 'excellent', whereas Americans appear to be more liberal with describing something as 'excellent'. This difference could be reflected in the New Zealanders' interpretation of the words contained within the vignettes and questions.
* Philosophy Types
* The respondent may adopt a different philosophy type than the five listed in the ranking statements.
Respondent Selection
Since some of the respondents were referred by initial respondents, there may exist bias because they are not an independent sample group.
* Cultural Bias
The respondents may be more tolerant and liberal than the norm. Their travel experience may orient themselves to ethical relativism. The capitalist, industrialised, western philosophy that dominates the culture may bias the results, and the researcher's immersion in that type of society may not recognise that bias.
"The experimenter's expectations and personality, subjects' personality, their awareness of the experimenter's intent, or their concern that they are being evaluated may affect the results." (Boring, 1969: 6) It is important to understand the frame of reference around which this study was conducted in case replication of this research occurs in future and the results are not exactly the same.

Ultimately, one would want to develop a grounded theory; however, this research is the first stage of that process. This project reduces the obfuscation of the decision making process regarding potentially ethical dilemmas. The next step would be to analyse the transcripts using grounded theory aimed at developing new theory (Turner, 1981).

Summary

Managers are not consistent in choosing how they will resolve a situation, or in providing the moral principles with which to defend their decision. Most of the respondents adopted an act deontologist philosophy for the justification of their decision. This means that the respondents believe there is a certain way in which managers ought to behave, and that they have an obligation or duty to obey moral rules. What these moral rules are exactly is more difficult to agree upon, and the managers have their particular definitions.

The managers tend to be act oriented, evaluating the situational variables - and allowing it to affect their decision - rather than using any kind of "rule book". This means that one needs to understand the framework of how managers make their decisions. If one codified behaviour either through laws, media coverage, or codes of conduct, it may have an impact on a manager's behaviour. There appears to be external factors that will regulate how managers behave and make decisions. This is also in keeping with the deontological orientation of the managers, because by formulating the guidelines by which they will abide the managers can use them as additional evidence when requested to explain the intent of their actions.

The public perception that managers are unethical may be too harsh as managers seem to strive to do the "right" thing to the best of their ability. Educational institutions ought to assist managers in preparing them to deal with ethical dilemmas. Business managers ought to take steps to prevent unfair, and negative, biasing of public opinion and media ought to give better coverage of those businesses and managers that are acting ethically.

There is no ethical principle which one can endorse in preference to another, however, while the principles may not be wholly perfect, each has a unique perspective to add to illuminate the dilemma. Understanding and being aware of the different moral principles is most valuable, as it permits the decision maker to make a considered choice and aid them in forming a defensible moral judgement. This is paramount to appreciate: the decision making process regarding potentially ethical dilemmas is often difficult, confusing, and time consuming. Since, at present, there exists no theory that has a universally acceptable definitive answer; the best managers can strive for is to recognise and consider their alternatives and not choose arbitrarily.

Research Propositions

The overall response to the research propositions was that they were rejected. However, there is some indication that managers generally want to improve the decision making process.
(1) Participants answering the vignettes would adopt a utilitarian philosophical theory for their decision making reasoning.  
REJECTED
The perception that businesses are utilitarian - based on economics which is utilitarian in nature - is erroneous, as most managers opt for deontological ethics over teleological ethics. This means that managers do not believe that the best long-term interests of everyone concerned should be the moral standard. This utilitarian perception is divergent from the results obtained from this study, therefore either the perception is inaccurate or the sample group is not representative of the general populace. Instead, the respondent managers prefer to focus on the individual as opposed to the society, and the intention of that individual in choosing a particular act.

(2) Participants may be incapable of identifying a potentially ethical dilemma within each vignette used in this study and for the open-ended discussion section of the research interview.  
REJECTED
The respondents did identify potentially ethical dilemmas within the vignettes. Generally, the respondents discussed an ethical dilemma they had faced in their business experience.

(3) Participants will not have considered the different, and conflicting, aspects of the ethical dilemma presented to them, considering non-financial and long-term aspects.  
REJECTED
Managers tend to reflect on past decisions and its consequences, and try to apply what they learned to making present decisions. If there was some form of assistance to help analyse those previous choices and results, this could contribute to improving future decisions. Reasoned discussions (or readings) appear to be a contributor to being prepared if faced with similar dilemmas.

Many of the participants underwent some form of discussion as a process to assist them in resolving dilemmas they faced. In this situation, there may exist the ability to externally influence the decision maker. Potentially having a resident "counsellor" or an externally consulting ethicist with whom the decision maker may discuss the situation would assist in improving decisions. The counsellor/ethicist may help managers gain insight into a situation, the ethical concepts involved, and help the manager to understand the dilemma.

Implications for Practicing Managers

While it is important to know how managers make decisions, there is a danger of managers making decisions from specific incident to specific incident without recognising the emerging pattern. Managers need to step back and determine their moral principles and the kind of ramifications their philosophical orientation will have on their decision making. By understanding the underlying fundamental principles of philosophical ethics, this will assist managers in developing a framework by which to judge their decisions.

New Zealand managers need to be aware of the repercussions of acting in isolation. Kant's categorical imperative states that one should act in such a way that one could will the maxim of the action to become a universal law. This means if a manager bribes, or
condones bribery in their environment, that act of bribery will become an acceptable practice. Thus, managerial decisions and practice are expanding what society deem acceptable behaviour, and this is a consequence which managers ought not to perform thoughtlessly.

Next Steps
The next steps to build on this research are:
* Compare different ethnic groups within New Zealand and internationally to develop a representative picture of New Zealand managerial decision making regarding ethical dilemma.
* Encourage all listed companies to have a written code of conduct. Develop legislation with penalties that reflect the extent to which the organisation went to prevent unethical behaviour.
* Develop legislation that states out-of-court settlements are no longer permitted to enjoy name suppression, then encourage the media to broadcast unethical companies' names.
* Sensitise managers to look at ethical issues more broadly, potentially through formal education. Have educational institutions lessen their emphasis on technical training and increase the ethical aspect in the curriculum.

Recommended future research directions:
* Continue inductive analysis on raw data for the purpose of theory generation using grounded theory.
* Increase sampling size to determine if there exists significant differentiation between men's preference for rule type philosophies and women's preference for act type philosophies. This may have significance regarding the different information processing orientations held by each gender.

References


