

Chapter 23

The Role of Moral Intensity in Moral Judgments: An Empirical Investigation

Sara A. Morris and Robert A. McDonald

A recent *Newsweek* editorial applauded the four on-lookers who rescued truck driver Reginald Denny from being beaten to death during the Los Angeles riots of 1992. Upon hearing the court testimony of one of the rescuers about why he chose to get involved, the editorial writer deduced: “He assumes that there is a moral imperative that would be obvious to everybody. . .” (Greenfield 1993, p. 80). The issue-related moral imperative in a decision situation has been conceptualized as the issue’s moral intensity (Jones 1991, p. 372). The current study investigated the relationship between the moral intensity of an issue and an individual’s moral judgment, in the context of business situations. A moral judgment is a considered opinion of what *should* be done (i.e., a decision about the morally right thing to do) when confronted with an ethical dilemma (Rest 1986).

The moral judgment is one component of the ethical decision making process (Jones 1991). By ethical decision making, we mean the decision under consideration involves an ethical or moral issue, as opposed to not involving ethical/moral issues. The ethical decision making process may work well or poorly. When it works well, a good, right, fair, and/or just decision is implemented. When it works poorly, the result is the implementation of a bad, wrong, unfair and/or unjust decision. Developing a better understanding of the ethical decision making process is important for business scholars and practitioners who want the process to work well. Developing a better understanding of the moral judgment component will contribute to our understanding of the overall ethical decision making process.

Jones (1991) assumed that the moral intensity construct represents an issue-specific contingency rather than an individual’s perceptions about the issue, but we disagree.

S.A. Morris (✉)

Department of Management, Old Dominion University, Norfolk, VA 23529, USA
e-mail: smorris@odu.edu

R.A. McDonald[†] (Deceased)

Cognitive models are widely accepted in the organizational behavior literature (Thomas and Velthouse 1990), and are deemed descriptive of some dimensions of strategic management (e.g., Schwenk 1988; Thomas et al. 1993) and organization theory (e.g., Duncan 1972; Weick 1979). This study compared the objective and perceived characteristics of three moral issues. Such a comparison is reminiscent of the longstanding debates over the effects of objective versus perceived environmental uncertainty (e.g., Boyd et al. 1993; Jauch and Kraft 1986).

We then investigated the relationship between perceived moral intensity and moral judgment. Because Jones (1991) described moral intensity as a six-dimensional construct, an additional purpose of the current study was to investigate the various dimensions of moral intensity. To date, only two empirical tests of the construct have been reported, namely, Jones and Huber (1992) and Weber (1993). Weber (1993) tested just one of the six dimensions. Jones and Huber (1992) tested five of six dimensions, but found only one to be significant.

Conceptual Foundations

Rest (1986) considered moral judgment to be one of the psychological processes involved in producing moral behavior, but others (Ferrell et al. 1989; Hunt and Vitell 1986; Jones 1991; Trevino 1986) have conceptualized moral judgment as a component of ethical decision making. Given that behavior and decision making are clearly related, we use the decision making framework in this paper. Within ethical decision making, the term moral judgment has been used with both process and content connotations. When used to connote the decision process, moral judgment refers to the moral reasoning process required to identify a morally superior alternative (e.g., Waterman 1988). Kohlberg (1969) and Rest (1986) articulated theories of cognitive moral development, which explain how an individual's moral reasoning process evolves over the person's lifetime.

When used to connote the decision content, moral judgment can refer to either the alternative chosen (e.g., Jones 1991) or an individual's evaluation of the alternatives chosen (e.g., Jones and Huber 1992). We use the term to mean the decision content, more specifically, to refer to the alternative chosen. Thus, we examined the relationship between perceived moral intensity and the alternative chosen.

Correlates of Moral Judgment

Except for Collins (1989) and Jones (1991), conceptual models and empirical studies of ethical decision making have assumed that individual differences, often in conjunction with organizational and/or environmental factors, would explain variations in moral judgments (choices made). Theoretical models have commonly included individual differences in cognitive moral development (e.g., Ferrell et al. 1989; Trevino 1986) and/or philosophical orientation or ideology (e.g., Ferrell et al. 1989;

Forsyth 1980; Hunt and Vitell 1986) to predict and explain moral judgment. Relevant empirical studies have examined individual differences in cognitive moral development (e.g., Logsdon et al. 1992; Malinowski and Smith 1985; Trevino and Youngblood 1990), philosophical orientation or ideology (e.g., Forsyth 1981; Fraedrich and Ferrell 1992; Fritzsche and Becker 1984), and such factors as locus of control (e.g., Hegarty and Sims 1978; Trevino and Youngblood 1990). In a departure from this line of inquiry, Dubinsky and Loken (1989) applied the theory of reasoned action (Ajzen and Fishbein 1980) to ethical decision making and examined individual differences in expectancies and subjective norms.

With regard to organizational influences on moral judgment, theoretical models have included such factors as significant others and opportunity (Ferrell and Gresham 1985) and organizational culture (Ferrell et al. 1989; Trevino 1986). Empirical studies have examined the relationship between moral judgment and the following organizational variables, among others: ethical work climate (e.g., Elm 1989; Gaertner 1991), group decision making (e.g., Nichols and Day 1982), role responsibility/codes of conduct (e.g., Trevino and Victor 1992), and rewards and/or punishment (e.g., Hegarty and Sims 1978; Trevino and Youngblood 1990).

With regard to environmental influences on moral judgment, some theoretical models (e.g., Ferrell et al. 1989; Ferrell and Gresham 1985; Hunt and Vitell 1986) have more explicitly considered the social, economic, and/or cultural environment than others, but few environmental variables have been specified or tested empirically. However, Hegarty and Sims (1978) and Miller et al. (1990) did find cross-cultural (i.e., national) differences in moral judgment.

Collins (1989) argued that moral judgment is contingent on the nature of the issue under consideration. Jones (1991) developed an expanded model of ethical decision making which incorporated issue-specific contingencies into the mix of individual differences, organizational variables, and environmental factors. Essential to this issue-contingent model was a new construct, moral intensity, to which we now turn.

Underpinnings of Moral Intensity

Moral intensity “captures the extent of issue-related moral imperative in a situation” (Jones 1991, p. 372). The moral intensity construct has its underpinnings in moral philosophy (Jones 1991) and in the legal system (Collins 1989), more specifically, tort law (Weber 1993) and retribution (Jones 1991). In moral philosophy, proportionality is the basis for distinguishing degrees of moral responsibility (Jones 1991). The level of moral responsibility depends on such factors as the nature of the benefits/harms involved, the urgency of the situation, and the decision maker’s freedom of choice in the situation.

Collins (1989) pointed out that the legal system designates a hierarchy of harms; the most serious harms, deserving of the greatest condemnation, are physical, followed by economic harms and psychological harms, in that order. Legal precedents from tort actions demonstrate that, in general, greater compensation is exacted from wrongdoers for physical harm than for any other type, and greater penalties are

imposed for economic wrongs than for psychological wrongs (Weber 1993). Jones (1991) believes that criminal law contains an element of proportionality, because the extent of retribution is intended to be proportional to the crime committed.

Dimensions of Moral Intensity

When identifying influences on moral judgment, both Collins (1989) and Jones (1991) specified six characteristics of moral issues, albeit not the same six. For Collins (1989), the intentionality, visibility, severity, repetition, permanency, and verifiability of a wrongful act affected the degree of moral condemnation of the act. For Jones (1991), the obligation to act in a situation, or the moral imperative, was related to the seriousness of the ethical consequences that would flow from the situation; a social consensus about what should be done; the probability of the effect; the temporal immediacy of consequences; the proximity of affected parties; and/or the number of people affected.

We adopted the Jones model for the current paper. Specifically, Jones (1991, pp. 374–378) identified the following six dimensions of moral intensity:

1. the magnitude of consequences, which he defined as the aggregate harm done to victims [or aggregate benefits accruing to beneficiaries],
2. social consensus, described as the level of agreement about the goodness or evil of a proposed act,
3. the probability of effect, defined as a joint function of the likelihood of occurrence of an act and the expected consequences of the act,
4. temporal immediacy, defined as the length of time between the act and its ethical consequences,
5. proximity, which taps the degree to which the actor can identify with potential victims or beneficiaries, and
6. concentration of effect, the degree to which costs or benefits of the act apply to only a few people.

Jones (1991) argued that the combined effects of these dimensions define the moral intensity of a particular issue.

Given its multidimensionality, Jones (1991) expected moral intensity to vary noticeably from issue to issue. We suspected that different dimensions of moral intensity could be subject to cognitive biases that would increase their variability. Therefore, we next discuss the perceptual aspects of moral judgments.

Role of Perception in Decision Making

Ethical decision making is a specialized form of decision making in general, a topic which has provoked considerable scientific research. In terms of generic decision making, judgment refers to evaluation of alternatives and making a choice among

them (Bazerman 1986). Making a judgment involves information processing (Hogarth 1987) and sensemaking (Thomas et al. 1993).

Simon (e.g., March and Simon 1958) theorized and research in cognitive psychology subsequently established that human beings have limited information processing capacity (Hogarth 1987). This condition limits the individual's capacity for rational choice because it forces decision makers to construct simplified mental models to grapple with complex problems (Schwenk 1988).

Because of limited information processing capacity, individuals perceive information selectively, as opposed to comprehensively (Hogarth 1987), and use heuristics, or rules of thumb, to simplify information processing in the decision making task (Tversky and Kahneman 1974). Heuristics save time and usually produce satisfactory decision results, but nevertheless create biases (Bazerman 1986). Heuristics and biases affect the decision maker's assumptions and cognitive frames for problem solving (Schwenk 1988). Thus, the basic tools of decision making – heuristics, biases, assumptions, and cognitive frames – are cognitive in nature.

Hypotheses

According to Jones (1991), the six dimensions of moral intensity are characteristics of the issue under consideration, not characteristics of the individual decision maker or the organizational or environmental context. It is the combined effects of the dimensions which define the overall moral intensity of an issue. The hypotheses involve the perceptual nature of the dimensions (H1) and the relationship between either the combined dimensions (H2) or the separate dimensions (H3) and moral judgments.

Given that perception plays such an important role in decision making in general, it is reasonable to suppose that an individual's perceptions play an important role in ethical decision making, especially with regard to assessing the dimensions of moral intensity, as a prelude to moral judgment. The first hypothesis resulted from this logic.

Hypothesis 1: For a given issue, the perceived dimensions of moral intensity differ from the objective dimensions.

From the theoretical arguments, we expected an issue's perceived moral intensity to affect the individual's moral judgment, but research evidence which might support or refute a relationship between moral intensity and moral judgment was scarce. Only two explicit tests of the moral intensity construct have been reported. Jones and Huber (1992) found that the combined effects of five moral intensity dimensions predicted moral judgment, where moral judgment was operationalized in terms of decision content (specifically, the person's evaluation of the alternative chosen). However, only one of the five dimensions, namely, social consensus, had a separate effect.

Two studies examined the relationship between moral intensity and moral judgment, where moral judgment was operationalized in terms of the decision process, i.e., the

type of moral reasoning used to reach a decision. The findings of Weber's Pittsburgh study (1990) supported the notion of a link between moral intensity and moral reasoning, but this study was not designed as a test of the moral intensity construct, as it pre-dates Jones' (1991) model. Weber's Milwaukee study (1993) was designed as an explicit test of one dimension of moral intensity, the magnitude of the consequences. Like the former study, the findings of the latter study indicate a link between moral intensity and moral reasoning. Neither of these studies examined the decision content, and neither tested other dimensions of moral intensity.

In the aggregate, the evidence indicates that moral intensity may be important and that two dimension of moral intensity, social consensus and the magnitude of the consequences, may be more significant than others. The positive correlations between moral intensity and certain aspects of the process and content of moral judgment lend credence to the possibility that moral intensity is related to the alternative chosen, i.e., to the moral judgment itself.

From these considerations, we derive our remaining hypotheses. In Hypotheses 2 and 3, moral intensity refers to the combined effects of the six dimensions defined by Jones (1991) and each dimension is a function of the decision makers perceptions. Moral judgment refers to the decision content and means the alternative chosen.

Hypothesis 2: The overall moral intensity of an issue, as perceived by a decision maker, affects the individual's moral judgment.

Hypothesis 3: Two dimensions of moral intensity, namely, the perceived magnitude of the consequences and the perceived social consensus, are more significant than others.

Research Methodology

Sample and Procedure

The sample consisted of 182 undergraduate students enrolled in an introductory management course. Subjects in the sample ranged from 17 to 51 years old with 50% of the sample 21 years old or younger. Forty-nine percent were female and 51% were male.

Questionnaires were distributed to subjects during class-time. The questionnaires consisted of three scenarios and accompanying questions. Subjects were asked to complete the questionnaires at home and return them to the researchers at the following class meeting. Participation was voluntary.

The response rate was approximately 75%. The response rate must be estimated because we did not require the instructor to call roll in order to ascertain the exact number of students present on the day the questionnaires were distributed.

Instruments

Scenarios

In order to represent a variety of ethical dilemmas and situations, three scenarios were utilized in the study. Previous researchers (e.g., Fritzsche and Becker 1984; Reidenbach et al. 1991) have demonstrated that the use of multiple scenarios is preferable in ethics research. Moreover, multiple scenarios were used since Jones (1991, p. 373) suggested that “moral intensity is likely to vary substantially from issue to issue.”

The three scenarios used in this study were adapted versions of scenarios found in the literature. For each scenario, two moral intensity variables were manipulated such that there was a high and a low intensity situation for each manipulated variable. In total, four versions of each scenario were developed, i.e., every combination of the two manipulated variables – high/high, high/low, low/high, low/low.

The first scenario, adapted from Fritzsche and Becker (1984, p. 169), involved a bribe situation. In this scenario, a bicycle company has the choice of making a payment that will ensure future business profits. Social consensus and magnitude of consequences were manipulated in this scenario. For low social consensus, the scenario involved payment for entry into a foreign market. For high social consensus, the scenario involved payment in exchange for a contract with a domestic company. Magnitude of consequences was manipulated by varying the amount of payment and profits; \$1 million after tax profits and \$100,000 payment for low magnitude of consequences and \$8 million after tax profits and \$800,000 payment for high magnitude of consequences.

The second scenario, adapted from Hosmer (1991, p. 22), outlined an environmental pollution situation. In this scenario, managers of a manufacturing plant consider dumping solvents and cleaning solutions down a storm drain that runs off into a body of water. Proximity and temporal immediacy were manipulated in this scenario. Proximity was manipulated by varying the location of the scenario; local area for high proximity and a distant location for low proximity. For temporal immediacy, the length of time between action and harm was varied; immediate harm for high temporal immediacy and decades before harm for low temporal immediacy.

The third scenario, adapted from Reidenbach et al. (1991, p. 85), described an over-promising situation. In this scenario, a book store promises that a book will be delivered by a certain date; however, the book store knows that there is a possibility that the book will not be delivered on this date. Concentration of effect and probability of effect were manipulated in this scenario. Probability of effect was manipulated by varying the probability that the book would be delivered on the promised date; 30% for high probability of effect (i.e., only 30% chance of on-time delivery) and 75% for low probability of effect. For concentration of effect, the type of customer was varied; state agency for low concentration of effect and individual student for high concentration of effect.

Moral Judgment

Following each scenario, respondents were asked to indicate their degree of agreement with a series of questions. The questions used a five-point Likert scale, ranging from (1) strongly agree to (5) strongly disagree. The first question indicated moral judgment; respondents were asked to indicate their level of agreement with a moral judgment concerning the scenario (e.g., Rollfast should pay the \$100,000).

Moral Intensity

The remaining seven questions covered the six dimensions of moral intensity outlined by Jones (1991) (e.g., Most people would agree that the current practice is wrong [social consensus]). There were seven questions about moral intensity rather than six because we decomposed magnitude of consequences into magnitude of benefits and magnitude of costs.

Jones (1991) did not specify how to measure the combined effects of the six dimensions of moral intensity, but Jones and Huber (1992) assumed that each of the six dimensions act independently of the others.

Social Desirability Bias

Self-report instruments are particularly susceptible to social desirability bias (Moorman and Podsakoff 1992). Social desirability is commonly defined as “some individuals’ tendencies to overreport socially desirable personal characteristics and to underreport socially undesirable characteristics” (Arnold et al. 1985, p. 955). Social desirability bias can result in spurious results or suppress or moderate relationships (Ganster et al. 1983). Randall and Gibson (1990) reported that, unfortunately, only 1 out of 96 empirical articles appearing in the *Journal of Business Ethics* considered the effect of social desirability bias on results.

A version of the revised Balanced Inventory of Desirable Responding (BIDR-6) scale developed by Paulhus (1991; shortened after personal communication in 1992) was used to measure social desirability bias. The BIDR-6 instrument contained two sub-scales, self-deception (SD) and impression management (IM). Self-deception is defined as the propensity of individuals to “deny having psychologically threatening thoughts or feelings” (Paulhus 1991, p. 4). Impression management is defined as the propensity of respondents to “consciously over-report their performance of a wide variety of desirable behaviors and under-report undesirable behaviors” (Paulhus 1991, p. 4).

Respondents were asked to indicate the extent of their agreement with the 20 items. The measure used a 5-point response scale, ranging from 1 (not true) to 5 (very true). To score the scales, one point is added to the SD score for each ‘5’ response and one point is added to the IM score for each ‘4’ or ‘5’ response (Paulhus 1991).

Results

Descriptive Statistics

Means, standard deviations, and correlations for the variables in the study are presented in Table 23.1. The moral intensity variables were recoded such that a high value indicated high moral intensity and the moral judgment variable was recoded such that a high value indicated an ethical (i.e., right, just, good, fair) judgment. Interestingly, moral judgment was the best or most just/fair for the pollution scenario (mean of 4.48) and worst or most unjust/unfair for the bribe scenario (mean of 2.80).

Comparison of Means

The first hypothesis stated that the perceived dimensions of moral intensity would differ from the objective dimensions. The objective dimensions were manipulated; for each dimension, half of the questionnaires contained high scores and half contained low scores. After respondents indicated their perceptions about each dimension, *f*-tests (Table 23.2) were used to compare the differences between mean scores for the people assigned to the low and high groups.

The hypothesis was partially supported. Four of the seven manipulations produced statistically different ($p < 0.10$) means. Moreover, for the bribery scenario ($t = 1.84, p = 0.068$), the means for the low and high magnitude of costs groups were 3.19 and 2.90, respectively, in the opposite direction from what would be expected.

Regression Analysis

To test the second and third hypotheses, two-step hierarchical regression analysis was used. Three analyses were conducted, one for each scenario. For each regression model, the dependent variable was the moral judgment for the scenario. Independent variables included age, gender, impression management, self-deception, and the seven moral intensity variables for each scenario. The regression equations are presented in Table 23.3.

In the first step, control variables (i.e., age, gender, impression management, and self-deception) were entered into the regression model. Since Jones (1991, p. 372) suggested that traits and characteristics of the decision-makers are separate from moral intensity, these control variables were entered in the first step. Only the R^2 value for the bribery scenario ($R^2 = 0.13, p < 0.001$) was significant, with age as a significant predictor ($P = 0.34, p < 0.001$).

Table 23.1 Descriptive statistics

Variables:												
Vars	Means	1	2	3	4	5	6	7	8	9	10	11
	s.d.											
1.	25.28											
2.	7.07											
3.	2.82	-0.10	0.20**	0.13								
4.	1.59	-0.07	-0.18*	0.04								
<i>Bribery scenario</i>												
5.	2.80	1.30	0.35**	0.03	0.13	-0.07						
6.	4.10	0.99	-0.01	-0.16**	-0.01	0.11	-0.24**					
7.	3.08	1.06	-0.07	0.10	0.04	-0.03	0.22**	-0.05				
8.	3.34	1.14	0.17*	-0.03	0.15*	0.06	0.28**	-0.03	0.15			
9.	3.62	0.98	-0.08	-0.03	0.06	-0.01	-0.26**	0.29*	-0.12	-0.04		
10.	3.24	0.78	0.04	-0.17*	-0.01	-0.16*	-0.11	0.02	-0.11	0.05	0.22**	
11.	3.33	0.90	0.11	0.05	0.02	0.09	-0.02	0.15*	0.03	0.10	-0.22**	-0.06
12.	2.42	0.99	-0.03	0.07	0.08	0.01	-0.02	-0.19**	-0.04	-0.06	-0.17*	0.06

<i>Pollution scenario</i>												
5.	4.48	0.96	-0.06	0.06	-0.03	-0.02						
6.	2.48	1.15	-0.03	-0.06	-0.04	-0.01	-0.24**					
7.	3.39	1.32	0.17*	0.06	0.09	0.07	0.12	-0.17				
8.	4.37	0.78	0.06	-0.00	0.06	0.11	0.42**	0.18*	0.18*			
9.	4.52	0.75	0.10	0.14	0.18*	0.02	0.32**	-0.18*	0.18*	0.36**		
10.	3.68	1.16	0.10	0.01	0.06	-0.01	0.05	-0.05	0.10	0.14	0.01	
11.	3.76	1.01	0.04	0.17*	0.10	0.01	0.23**	-0.06	0.03	0.31**	0.17*	
12.	1.61	0.90	-0.15*	-0.07	-0.08	-0.03	-0.31**	0.20**	-0.19*	-0.39**	-0.60**	
<i>Over-promising scenario</i>												
5.	3.67	1.09	-0.12	0.08	-0.02	-0.04						
6.	3.30	1.11	-0.02	-0.05	0.03	-0.07	-0.32**					
7.	3.22	0.97	-0.04	0.08	0.05	-0.06	0.23**	-0.03				
8.	3.39	1.04	-0.01	0.10	0.03	-0.06	0.59**	-0.27**	0.25**			
9.	3.10	1.18	0.01	0.01	0.14	0.04	0.21**	0.22**	0.16*	0.29**		
10.	3.30	0.80	0.06	-0.16	0.06	0.04	0.02	0.05	-0.26**	-0.12	0.22**	
11.	3.46	0.86	-0.01	0.24**	-0.01	-0.13	0.17*	-0.12	0.05	0.22**	0.16*	
12.	3.18	0.98	0.11	-0.04	0.06	0.01	0.07	-0.08	-0.23**	0.07	0.03	
											0.26**	
												0.17*

* $p < 0.05$; ** $p < 0.01$

^a Gender was coded 1 for men ($n = 92$) and 2 for women ($n = 90$)

Table 23.2 Comparison of means

Variables manipulated (scenario)	Assigned group	<i>n</i>	Means	s.d.	<i>t</i> ^a	<i>df</i>
Magnitude of benefits (Bribery)	Low	113	4.02	1.05		
	High	69	4.23	0.86	-1.50 ^b	165.27
Magnitude of costs (Bribery)	Low	113	3.19	1.09		
	High	69	2.90	0.99	1.84 [†]	180
Social consensus (Bribery)	Low	91	3.30	1.23		
	High	92	3.38	1.06	-0.50	181
Probability of effect (Over-promising)	Low	91	2.42	1.09		
	High	90	3.79	0.81	-9.62 ^{***b}	166.86
Temporal immediacy (Pollution)	Low	69	3.71	1.02		
	High	114	3.67	1.25	0.26 ^b	165.55
Proximity (Pollution)	Low	88	3.47	1.02		
	High	92	4.04	0.93	-3.99 ^{***}	178
Concentration of effect (Over-promising)	Low	112	2.98	0.89		
	High	69	3.51	1.04	-3.62 ^{***}	179

[†]*p*<0.10; **p*<0.05; ***p*<0.01; ****p*<0.001

^aBased on pooled variance estimate unless otherwise noted

^bBased on separate variance estimate

Table 23.3 Results of hierarchical regression analyses (betas)^a with moral judgments as DVs

	Bribery scenario	Pollution scenario	Over-promising scenario
<i>Step 1 (controls)</i>			
Age	0.34 ^{***}	-0.04	-0.11
Gender	0.05	0.05	0.05
Impression management	0.06	-0.03	-0.00
Self deception	-0.04	-0.02	-0.04
Δ <i>R</i> ²	0.13 ^{***}	0.01	0.02
<i>Step 2 (intensity)</i>			
Magnitude of benefits	-0.17*	-0.13 [†]	-0.15*
Magnitude of costs	<u>0.18</u> **	0.04	0.11 [†]
Social consensus	<u>0.19</u> **	0.30 ^{***}	0.54 ^{**}
Probability of effect	-0.16*	0.05	0.05
Temporal immediacy	-0.09	<u>0.02</u>	0.15*
Proximity	-0.10	<u>0.16</u> *	-0.00
Concentration of effect	-0.05	-0.15 [†]	<u>0.02</u>
Δ <i>R</i> ²	0.18 ^{***}	0.28 ^{***}	0.41 ^{***}
Overall <i>R</i> ²	0.31	0.29	0.43
<i>F</i>	6.86 ^{***}	6.09 ^{***}	11.43 ^{***}
<i>df</i>	(11,167)	(11,166)	(11,166)

[†]*p*<0.10; **p*<0.05; ***p*<0.01; ****p*<0.001

^aRegression coefficients for manipulated variables are underlined

In the second step, the moral intensity variables were added to the regression model. The increases in R^2 values for all three scenarios were highly significant ($p < 0.001$). This provides strong support for Hypothesis 2; i.e., perceived moral intensity, in the aggregate, affected moral judgment.

For the bribery scenario, perceived magnitude of benefits, perceived magnitude of costs, perceived social consensus, and perceived probability of effect were significant terms ($p < 0.10$) in the regression model. For the pollution scenario, perceived magnitude of benefits, perceived social consensus, perceived proximity, and perceived concentration of effect were significant terms ($p < 0.10$) in the regression model. For the over-promising scenario, perceived magnitude of benefits, perceived magnitude of costs, perceived social consensus, and perceived temporal immediacy were significant terms ($p < 0.10$) in the regression model.

Therefore, 3 is supported by the regression analysis; i.e., some dimensions of moral intensity were more important than others. Examination of the regression equations reveals that perceived magnitude of benefits and perceived social consensus were significant ($p < 0.10$) predictors in all three scenarios. Perceived magnitude of costs was a significant predictor ($p < 0.10$) for the bribery and over-promising scenarios. Noteworthy, perceived social consensus was the highest β for all three scenarios. Also, the β for perceived magnitude of benefits is always negative.

Discussion

The results of this study lend support to Jones' (1991) assertion that moral intensity affects ethical judgment. After controlling for several personal characteristics and traits, the moral intensity variables, in the aggregate, accounted for a significant proportion of the total variation in moral judgment.

Jones and Huber (1992) found only one significant dimension of the moral intensity construct (namely, social consensus). Weber (1990, 1993) examined only one dimension, magnitude of the consequences, and found it significant. Our findings indicate that multiple dimensions of moral intensity contributed to the variation in moral judgment: magnitude of consequences (magnitude of benefits, always; magnitude of costs, usually), social consensus, and one other dimension that varied depending on the issue. A possible explanation for our finding of multiple significant dimensions is our use of perceptual rather than objective measures of the dimensions.

Some of the moral intensity variables had a greater effect on moral judgment than others. Two moral intensity variables (i.e., the perceived magnitude of benefits and perceived social consensus) consistently were significant predictors of moral judgment. Interestingly, perceived social consensus is the strongest predictor for all three scenarios. More research is needed to substantiate the importance of social consensus and magnitude of benefits in the making of moral judgments.

Managerial Implications

We study the process of decision making with regard to ethical dilemmas in organizations in order to encourage decisions that are good, fair, just, and right. With this in mind, important managerial implications derive from the findings regarding Hypothesis 3.

The significant positive regression coefficients for perceived social consensus across all scenarios suggest that social consensus regarding what is good or evil, relative to a particular issue, is a major determinant of what should be done in the judgment of the decision maker. The significance of perceived social consensus in this study is consistent with Trevino's (1986) contention and prior research (e.g., Weber 1990) that American managers operate at Kohlbergs (1969) conventional level of cognitive moral development. Trevino (1986, p. 608) stated: "Therefore, most managers will look outside themselves for cues about what is right (appropriate) behavior and what is wrong (inappropriate) behavior."

The significant positive regression coefficient for age in the bribery scenario but not in the other scenarios reinforces the importance of social consensus. Older people are more likely both to remember the scandals regarding foreign bribery in the 1970s and to be aware of legal injunctions against bribery. Younger people are more likely to be unaware of these social norms. In the pollution and over-promising scenarios, how the law and/or other social norms apply is equally ambiguous to younger and older respondents. Therefore, age was not significant in these scenarios.

The significance of perceived social consensus implies that we can improve the goodness, justness, and/or fairness of decisions by informing or reminding organizational decision makers of the social consensus regarding various ethical issues. Relevant training is warranted.

The results regarding the decomposed magnitude of consequences variables, i.e., perceived magnitude of benefits and perceived magnitude of costs, suggest implications for managerial training as well. The significant negative regression coefficients for perceived magnitude of benefits across all scenarios indicate that greater perceived benefits induced less morally justifiable decisions about what should be done. The perceived magnitude of costs variable was significant and positive for two of three scenarios/issues, but only marginally significant (i.e., $0.05 < p < 0.1$) for one of these two. Positive coefficients for perceived magnitude of costs suggest that higher perceived costs induced judgments that were better, more fair, and/or more just.

Should future studies yield a consistently negative relationship between magnitude of benefits and moral judgment and a consistently positive relationship between magnitude of costs and moral judgment, training decision makers to be more aware of the negative consequences, social costs, and spillover effects of their decisions should improve the likelihood of good, just, and fair moral judgments.

Limitations

There are several limitations to this study. First, the convenience sample of undergraduate students made sense in terms of the preliminary, if not exploratory, nature of the current research. Generalizing from undergraduates becomes precarious to the extent that the dimensions of moral intensity are susceptible to maturity effects. Does one's perception of magnitude of benefits or costs, social consensus, probability, time, proximity, or concentration of effect change with age or experience? Intuitively, we would answer "yes." However, Table 23.1 shows few significant correlations between age and these moral intensity variables. Nevertheless, the study needs replication among more mature respondents with more business experience.

In this preliminary study, we attempted to establish the significance of perceived moral intensity to moral judgment. The positive results of this study suggest that future studies should apply a more rigorous test which includes more individual, organizational/situational, and/or environmental contingencies in the regression models.

We narrowly operationalized the dimensions of moral intensity. For example, we defined magnitude of consequences in terms of a dollar amount. Future researchers will want to operationalize the intensity dimensions in more sophisticated ways.

Despite these limitations, this exploratory study contributes to the literature by demonstrating that moral intensity is a concept that warrants further empirical study.

References

- Ajzen, I., and M. Fishbein. 1980. *Understanding attitudes and predicting social behavior*. Englewood Cliffs: Prentice-Hall.
- Arnold, H.J., D.C. Feldman, and M. Purbhoo. 1985. The role of social desirability response bias in turnover research. *Academy of Management Journal* 28: 955–966.
- Bazerman, M.H. 1986. *Judgment in managerial decision making*. New York: Wiley.
- Boyd, B.K., G.G. Dess, and A.M.A. Rasheed. 1993. Divergence between archival and perceptual measures of the environment: Causes and consequences. *Academy of Management Review* 18: 204–226.
- Collins, D. 1989. Organizational harm, legal condemnation and stakeholder retaliation: A typology research agenda and application. *Journal of Business Ethics* 8: 1–13.
- Dubinsky, A.J., and B. Loken. 1989. Analyzing ethical decision making in marketing. *Journal of Business Research* 19: 83–107.
- Duncan, R.B. 1972. Characteristics of organizational environments and perceived environmental uncertainty. *Administrative Science Quarterly* 17: 313–327.
- Elm, D.R. 1989. Managers reasoning about ethical issues: The impact of ethical climate and self-monitoring. Unpublished doctoral dissertation, University of Minnesota, Minneapolis.
- Ferrell, O.C., and L.G. Gresham. 1985. A contingency framework for understanding ethical decision making in marketing. *Journal of Marketing* 49(3): 87–96.
- Ferrell, O.C., L.G. Gresham, and J. Fraedrich. 1989. A synthesis of ethical decision models for marketing. *Journal of Macromarketing* 9(Fall): 55–64.
- Forsyth, D.R. 1980. A taxonomy of ethical ideologies. *Journal of Personality and Social Psychology* 39: 175–184.

- Forsyth, D.R. 1981. Moral judgment: The influence of ethical ideology. *Personality and Social Psychology Bulletin* 7(2): 218–223.
- Fraedrich, J.P., and O.C. Ferrell. 1992. The impact of perceived risk and moral philosophy type on ethical decision making in business organizations. *Journal of Business Research* 24: 283–295.
- Fritzsche, D.J., and H. Becker. 1984. Linking management behavior to ethical philosophy: An empirical investigation. *Academy of Management Journal* 27: 166–175.
- Gaertner, K.N. 1991. The effect of ethical climate on managers' decisions. In *Morality; rationality and efficiency: New perspectives on socio-economics*, ed. R.M. Coughlin, 211–223. Armonk: M. E. Sharpe.
- Ganster, D.C., H.W. Hennessey, and F. Luthans. 1983. Social desirability response effects: Three alternative models. *Academy of Management Journal* 26: 321–331.
- Greenfield, M. 1993. Ignoring the "Why Nots". *Newsweek* CXXII (11) (September 13): 80.
- Hegarty, W.H., and H.P. Sims. 1978. Some determinants of unethical decision behavior: An experiment. *Journal of Applied Psychology* 63: 451–457.
- Hogarth, R.M. 1987. *Judgment and choice*. New York: Wiley.
- Hosmer, L.T. 1991. *The ethics of management*, 2nd ed. Homewood: Irwin.
- Hunt, S.D., and S. Vitell. 1986. A general theory of marketing ethics. *Journal of Macromarketing* 6(Spring): 5–16.
- Jauch, L.R., and K.L. Kraft. 1986. Strategic management of uncertainty. *Academy of Management Review* 11: 777–790.
- Jones, T.M. 1991. Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review* 16: 366–395.
- Jones, T.M., and V.L. Huber. 1992. Issue contingency in ethical decision making. *International Association for Business and Society Proceedings*: 156–166.
- Kohlberg, L. 1969. Stage and sequence: The cognitive-developmental approach to socialization. In *Handbook of socialization theory and research*, ed. D.A. Goslin, 347–480. Chicago: Rand McNally.
- Logsdon, J.M., J.K. Thompson, and R.A. Reid. 1992. Software piracy: Is it related to stage of moral development? *International Association for Business and Society Proceedings*: 31–37.
- Malinowski, C.I., and C.P. Smith. 1985. Moral reasoning and moral conduct: An investigation prompted by Kohlberg's theory. *Journal of Personality and Social Psychology* 49: 1016–1027.
- March, J.G., and H.A. Simon. 1958. *Organizations*. New York: Wiley.
- Miller, J.G., D.M. Bersoff, and R.L. Harwood. 1990. Perceptions of social responsibilities in India and in the United States: Moral imperatives or personal decision? *Journal of Personality and Social Psychology* 58: 33–47.
- Moorman, R.H., and P.M. Podsakoff. 1992. A meta-analytic review and empirical test of the potential confounding effects of social desirability response sets in organizational behavior research. *Journal of Occupational and Organizational Psychology* 65: 131–149.
- Nichols, M.L., and V.E. Day. 1982. A comparison of moral reasoning of groups and individuals on the "defining issues test". *Academy of Management Journal* 25: 201–208.
- Paulhus, D.L. 1991. BIDR reference manual for version 6. Unpublished report, University of British Columbia.
- Randall, D.M., and A.M. Gibson. 1990. Methodology in business ethics research: A review and critical assessment. *Journal of Business Ethics* 9: 457–472.
- Reidenbach, R.E., D.P. Robin, and L. Dawson. 1991. An application and extension of a multidimensional ethics scale to selected marketing practices and marketing groups. *Journal of the Academy of Marketing Science* 19: 83–92.
- Rest, J. 1986. *Moral development: Advances in research and theory*. New York: Praeger.
- Schwenk, C.R. 1988. *The essence of strategic decision making*. Lexington: Lexington Books.
- Thomas, K.W., and B.A. Velthouse. 1990. Cognitive elements of empowerment: An "interpretive" model of intrinsic task motivation. *Academy of Management Review* 15: 666–681.
- Thomas, J.B., S.M. Clark, and D.A. Gioia. 1993. Strategic sensemaking and organizational performance: Linkages among scanning, interpretation, action, and outcomes. *Academy of Management Journal* 36: 239–270.

- Trevino, L.K. 1986. Ethical decision making in organizations: A person-situation interactionist model. *Academy of Management Review* 11: 601–617.
- Trevino, L.K., and B. Victor. 1992. Peer reporting of unethical behavior: A social context perspective. *Academy of Management Journal* 35: 38–64.
- Trevino, L.K., and S.A. Youngblood. 1990. Bad apples in bad barrels: A causal analysis of ethical decision-making behavior. *Journal of Applied Psychology* 75: 378–385.
- Tversky, A., and D. Kahneman. 1974. Judgment under uncertainty: Heuristics and biases. *Science* 185: 1124–1131.
- Waterman, A.S. 1988. On the uses of psychological theory and research in the process of ethical inquiry. *Psychological Bulletin* 103(3): 283–298.
- Weber, J. 1990. Managers' moral reasoning: Assessing their responses to three moral dilemmas. *Human Relations* 43: 687–702.
- Weber, J. 1993. Assessing the role of the moral issue and its intensity upon managerial decision making. *International Association for Business and Society Proceedings*: 390–394.
- Weick, K. 1979. *The social psychology of organizing*, 2nd ed. Reading: Addison-Wesley.