Journal of Business Ethics (2009) 85:201–226
DOI 10.1007/s10551-008-9765-5

The Effects of Proximity and Empathy on Ethical Decision-Making: An Exploratory Investigation

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ABSTRACT. The goals of this research were to (1) explore the direct effects of and interactions between magnitude of consequences and various types of proximity – social, psychological, and physical – on the ethical decision-making process and (2) investigate the influence of empathy on the ethical decision-making process. A carpal tunnel syndrome vignette and questionnaire were administered to a sample of human resource management professionals to test the hypothesized relationships. Significant relationships were found for the main effects between magnitude of consequences and principle-based evaluation, cognitive empathy and principle-based evaluation, and empathy and moral intention. Physical proximity moderated the relationships between magnitude of consequences and utilitarian evaluation as well as magnitude of consequences and moral intention. Cognitive empathy moderated the relationships between magnitude of consequences and principle-based evaluation and physical proximity and utilitarian evaluation. Affective empathy marginally moderated the relationship between physical proximity and principle-based evaluation. Future research directions, management implications, and strengths and weaknesses of the research are discussed.

KEY WORDS: empathy, ethical decision-making process, magnitude of consequences, moral evaluations, moral intensity, proximity

ABBREVIATION: EDM: Ethical Decision-Making

Introduction

Simply stated, the individual decision-making process is complex. The economic perspective informs us that optimal decisions are those that are made rationally – a process that assumes decision-makers are aware of all information, know all possible alternatives and consequences, and are not influenced by others in their goal to maximize outcomes (Zey, 1992). As this is often not the case, researchers have studied how situational constraints influence the decision-making process, such as time and certainty (e.g., Ariely and Zakay, 2001; Perlow et al., 2002; Weber and Chapman, 2005). Others have advocated models that consider the individuals making decisions, including bounded rationality (Gigerenzer and Goldstein, 1996; Mumby and Putnam, 1992), intuition (e.g., Dane and Pratt, 2007; Lieberman, 2000), decision-making styles (e.g., Scott and Bruce, 1995; Thunholm, 2004), and judgment (see Connolly and Ordonez, 2003 and Mellers et al., 1998, for reviews). In addition, during the past two decades there has been a resurgence in theory development and empirical work specific to the role that emotions play in decision-making (e.g., Etzioni, 1988; Hanoch, 2002; LeBar, 2001; Robinson, 2004; Simon, 1987).

Making an ethical decision is perhaps even more complex, as an evaluative component is embedded in the process – i.e., a distinction between what is ''right'' and ''wrong.'' We make decisions based on these judgments, individual differences specific to each of us, the information we have concerning the situation, and additional contextual constraints. Many of these factors have been examined in relation to the ethical decision-making (EDM) process, either directly or in combination. A review of the organizational ethics literature through 1996 showed that the constructs receiving the most attention from researchers included moral philosophy, gender, age, education, and work experience, as well as codes of ethics, organizational rewards, and organizational culture and climate (Loe et al., 2000).

A more recent review of the organizational EDM literature from 1996 to 2003 summarizes the

relationships between various person and situation factors and the four components of Rest's (1986) model of moral decision-making (O'Fallon and Butterfield, 2005). During this time, it appears that ethics research continued to include many of the variables noted in the previous review, but saw a dramatic increase in the number of studies that examined moral intensity. These authors concluded that the understanding of individual, situational, and issue-related factors on the EDM process was enhanced in this time period and identified a need to examine more interaction effects (O'Fallon and Butterfield, 2005, p. 405).

Based on information provided in these reviews, the influence of emotions on decision-making in organizational literature, and recent conversations among organizational ethics researchers at national conferences, we address two primary research questions in this study: (1) What are the direct and moderating effects of specific moral intensity dimensions on the EDM process? (2) How can emotions positively influence the EDM process?

First, research that includes two or more components of the EDM process is limited. More commonly, published articles focus on only one component as a dependent variable (e.g., moral recognition/awareness: Butterfield et al., 2000; moral judgment/evaluation: Morris and McDonald, 1995; moral intention: Flannery and May, 2000). We use this EDM model as the basic framework for this study and examine each of the first three components of this process.

Moral intensity has been studied fairly extensively recently, although not all dimensions have been examined to the same extent as the original model described them. Jones (1991) developed the construct, which is comprised of six issue-contingent factors: (1) magnitude of the consequences – the amount of harm/good done to the victims/beneficiaries; (2) social consensus – the level of agreement that the behavior will be bad/good; (3) probability of effect – the likelihood that the event will occur and cause the harm/good anticipated; (4) temporal immediacy – the time between when the decision is made and the consequences occur; (5) proximity – the degree of closeness between the decision-maker and the victims/beneficiaries; and (6) concentration of effect – the number of people affected by the decision.

Researchers generally agree that magnitude of consequences and social consensus are relatively consistent predictors of EDM components, but findings with respect to the other four dimensions are mixed (May and Pauli, 2002; O'Fallon and Butterfield, 2005). Of particular interest in this study is that Jones specified proximity to include the closeness between an agent and target(s) on cultural, social, psychological, and physical levels. However, studies to date have included only *general* measures of closeness (e.g., Carlson et al., 2002; McMahon and Harvey, 2006). We expect these types of proximity will have differential effects on the EDM components. In addition, it is likely that the various levels of proximity will interact with the magnitude of consequences, such that the degree of harm will have a different impact on the EDM components depending on the type of proximity. We focus on these two dimensions of moral intensity as exogenous variables in our theoretical framework.

Second, although emotions and affect have been linked to ethical behaviors (e.g., Bagozzi and Moore, 1994; Baumeister et al., 1995; Davis et al., 1999; Eisenberg, 2000; Hardy, 2006), organizational ethics research has just begun to investigate the influence of emotions on EDM. In particular, empirical findings showed that five emotions (out of 30) were related to interpersonal ethical decisions at a statistically significant level (Connelly et al., 2004). In theoretical-based research, positive affect, negative affect, and emotional intensity were proposed to influence Rest's (1986) EDM model (Gaudine and Thorne, 2001). Lurie (2004) has proposed that when managers effectively use emotions, they make decisions that are more "humane" and promote manager–employee relationships. Considering the limited theoretical and empirical research as well as the potentially positive influence of emotions on EDM, research investigating emotions in various ethical contexts is warranted.

Our study addresses a typology of emotions that are most closely related to ethical actions, referred to as moral emotions (Blasi, 1999; Eisenberg, 2000; Haidt, 2003). More specifically, we focus on empathy – a *positive* moral emotion that aids reasoning (Pizarro, 2000; Pizarro and Salovey, 2002), and promotes interpersonal relationships (Hoffman, 1990; Tangney, 1991). Exploring empathy in this framework is consistent with recent work of researchers interested in

positive organizational behavior and positive organizational scholarship (Cameron et al., 2003; Luthans, 2002). Based on Fredrickson's (2001) broaden-and-build theory of positive emotions, we suggest that individuals who experience compassion for others broaden their thoughts and actions to facilitate decision-making and also enhance their personal development and growth (Wright, 2003).

To summarize, we base our research model on the first three elements of Rest's (1986) model of EDM. We propose that magnitude of consequences and different types of proximity (social, psychological, and physical) influence the components of the EDM process, both directly and through an interaction effect. Then, we hypothesize main effects and moderating effects of empathy on the EDM components (see Figure 1). In the next paragraphs, we describe the organizational context for this study for which the ethical decision is made.

Ethical decisions concerning employee health and safety

Organizational decisions affecting employees have ethical implications (Shipley, 1998), which includes dilemmas involving employee health and safety. We expect that the information available to decision-makers concerning employee health and safety as well as their ability to empathize will influence the ethicality of their decisions. This is especially the case when organizations do not have strict guidelines that mandate decisions that employees make. Therefore, this study focuses on an area of employee health where no legislation exists – repetitive strain injuries (RSI's).

RSI's occur because of repetitive physical movements and damage tendons, nerves, muscles, and other soft body tissues associated with the musculoskeletal system (May and Schwoerer, 1994; Tyrer, 1999). Such injuries are primarily related to the design of jobs in organizations. The most common RSI's reported involve the hands, arms, and shoulders, with symptoms that include pain, tenderness, and muscle weakness (Tyrer, 1999), such as carpal tunnel syndrome (CTS). Although the Occupational Safety and Health Administration (OSHA) provides ergonomic guidelines for employers, failure to abide by the guidelines is not a violation, and only the organizations reporting high "Lost Workday Injury and Illness" rates are encouraged to address the issue (OSHA, 2002). With no steadfast regulation or punitive damages against organizations, businesses and managers have great discretion over their ergonomic policies, practices, and related decisions. An analysis of large multinational firms' business codes suggests that only about half of them include

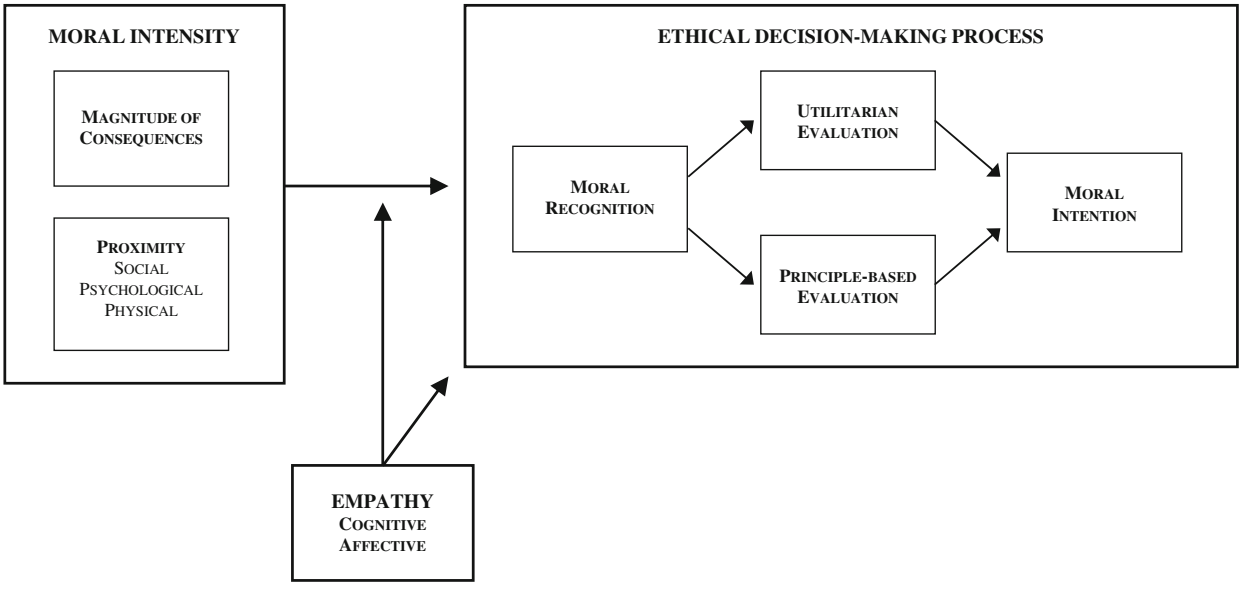

Figure 1. Theoretical framework of moral intensity and empathy on the EDM process.

language regarding safe working conditions and injury prevention (Kaptein, 2004).

By implementing OSHA guidelines or including injury prevention in codes of ethics to help prevent RSI, many organizations have only established a general framework for enhancing this safety aspect of their employees' well-being. This approach does not necessarily provide for a strong organizational situation that dictates employee decisions (Flannery and May, 2000; Mischel, 1977). Therefore, the information available to the decision-maker about the situation will likely influence the EDM process, including how severe the harm may be and the type of closeness that the decision-maker feels to the employee. In addition, the extent to which the decision-maker empathizes with those faced with potential harm is likely to influence the decision-making process. Thus, musculoskeletal disorders provide a good example to use when discussing the influence of magnitude of consequences, proximity, and empathy on the EDM process.

The current study builds upon previous research focusing on CTS as an ethical issue in organizations (Watley and May, 2004). Using a sample of managers across various organizational functions, findings showed that dimensions of moral intensity positively influenced ethical intentions (i.e., the intent to recommend that an employee see a doctor). In extending that research, we chose to examine the proposed model using a sample of human resource management (HRM) professionals. As stated in the Society for Human Resource Management's (SHRM) code of ethics, HRM professionals have the responsibility to "advocate for the appropriate use and appreciation of human beings as employees" (SHRM, 2008). Therefore, these individuals are more likely to be aware of the ethical issues surrounding CTS and the effects it has on employees compared to other managers, which provides a unique perspective on this employee health and safety situation.

Ethical decision-making framework

Numerous organizational ethics researchers have used Rest's (1986) rational decision-making model as the basis for theory development and empirical examination (O'Fallon and Butterfield, 2005). This four-step process includes the recognition or awareness of a moral issue, the evaluation or judgment of the information and alternatives, the intention to act or make a decision, and the behavior or decision. Empirical studies have consistently found statistically significant relationships from various individual and situational factors to each of the first three stages (May and Pauli, 2002; O'Fallon and Butterfield, 2005). Thus, these three components of the EDM model serve as the primary theoretical foundation for this study.

Moral recognition

Moral recognition, which initiates the EDM process, is the awareness that the situation has moral or ethical implications (Pizarro, 2000). For moral recognition to exist, the individual must be aware that an ethical problem exists or that a moral principle is applicable (Rest, 1986). According to the model, moral recognition must occur before an individual will progress to the moral evaluation phase. Although this element has received less attention in organizational ethics research compared to the other components of the EDM process, findings indicate that dimensions of moral intensity, ethical predispositions, and organizational factors all influence moral recognition (see O'Fallon and Butterfield, 2005, and Trevino et al., 2006, for reviews).

Moral reasoning/judgment/evaluation

This phase has been conceptualized as moral reasoning, moral judgment, and moral evaluation. In the original model, the six stages of cognitive moral development (Kohlberg, 1969) were used to assess moral reasoning (Rest, 1986). An organizational study of MBA students showed that higher levels of cognitive moral development led to ethical behaviors (Trevino and Youngblood, 1990). A more simple operationalization of moral judgment evaluates if the alternatives were interpreted by subjects as ethical or unethical and fair or unfair (Barnett, 2001; Bass et al., 1998; Morris and McDonald, 1995).

Others have noted the importance of an interdisciplinary approach to studying EDM (Hunt and Vitell, 1986; Miner and Petocz, 2003), leading researchers to integrate philosophical moral evaluations into EDM.

One philosophical categorization involves teleology and deontology (Ferrell et al., 1989; Hunt and Vitell, 1986; May and Pauli, 2002; Mayo and Marks, 1990; Vitell and Hunt, 1990). As a component of teleology, *utilitarian evaluations* focus on outcomes that benefit the most number of people (Fraedrich and Ferrell, 1992). Findings show that managers primarily employ utilitarian judgments when making ethical decisions (Fritzsche and Becker, 1984; Premeaux, 2004). From a deontological perspective, *principle-based evaluations* concern the beliefs that individuals hold regarding the welfare of others. These individuals tend to consider their responsibilities toward others (Fraedrich and Ferrell, 1992). In order to capture the interdisciplinary nature of ethics, this research also applies philosophical moral evaluations, differentiating between utilitarian and principle-based evaluations.

Moral intention

Measuring actual ethical behaviors pose a challenge for researchers, primarily because subjects may bias their actions and responses to be more ethical when being observed. Therefore, ethical behavior is commonly inferred based on self-report measures of moral intention (e.g., Barnett, 2001; Flannery and May, 2000) using the Theory of Reasoned Action (Fishbein and Ajzen 1975), which hypothesizes intentions are strongly related to behaviors. This theory has been supported with statistically significant findings in studies of household composting (Taylor and Todd, 1997), household recycling (Boldero, 1995), legislator voting (Flynn et al., 1997), and the frequency that managers refer employees to work–family programs (Casper et al., 2004).

Moral intensity

As described above, Jones (1991) proposed a model of moral intensity, whereby six issue-contingent factors affect each phase of Rest's (1986) EDM process. Although each of the moral intensity factors has been examined with respect to one or more phases of the EDM process, this study extends previous research findings concerning magnitude of consequences and proximity. Overall, moral intensity research has indicated that magnitude of consequences plays an important role in the EDM process (May and Pauli, 2002; O'Fallon and Butterfield, 2005) and recent work has suggested that proximity may also hold promise for understanding EDM among managers (Barnett, 2001; Watley and May, 2004). This research advances existing literature on moral intensity by proposing that three forms of proximity (social, psychological, and physical) affect the components of the EDM process in different ways and interact with magnitude of consequences to influence the EDM process. These two moral intensity dimensions are presented below.

Magnitude of consequences

Empirical tests of the relationships between magnitude of consequences the EDM components have consistently been statistically significant. Using scenarios associated with gaining information about competitors, more severe consequences significantly predicted moral awareness (Butterfield et al., 2000). Severe consequences also led to higher levels of moral recognition concerning e-mail monitoring decisions among information systems professionals (Pauli and May, 2002). The same study showed that magnitude of consequences significantly influenced deontological evaluations and moral intentions, as well as utilitarian evaluations when moderated by accountability. In a comparison of different issues involving mild to severe degrees of harm on others (job termination, possible injury, and life/death), study participants engaged in significantly higher levels of moral reasoning when the magnitude of consequences was severe rather than mild (Weber, 1996). When magnitude of consequences was manipulated in a bribe scenario, it was also shown to be a significant predictor of moral judgment (Morris and McDonald, 1995). The moral intensity dimension was also significantly related to ethical judgments of using company property for personal use and of selling expensive equipment to a customer though a cheaper one would be better (Barnett, 2001). Finally, severe consequences concerning CTS significantly predicted moral intent (Watley and May, 2004). In sum, as the severity of the harm increases, individuals are more likely to recognize the ethical implications of the situation, engage in

moral evaluations to a greater extent, and form more ethical intentions. Thus, the first hypothesis is presented to be consistent with this previous research:

H1: Magnitude of consequences will be positively associated with moral recognition, utilitarian evaluation, principle-based evaluation, and moral intention.

Proximity

Findings involving the effects of proximity on the EDM process have been mixed. For example, proximity significantly predicted moral judgment in an organizational-related decision scenario where information was knowingly falsified to consumers (Carlson et al., 2002). However, close examination of the items used to measure proximity in this study revealed that they were confounded with feelings of empathy. Given an organizational environmental pollution scenario, respondents reported higher ethical judgments when victims were physically closer to the point of pollution (Morris and McDonald, 1995). Furthermore, proximity was significantly related to moral intention in the examples of using company property for personal use and selling more expensive products (Barnett, 2001), as well as in making a decision concerning an employee who potentially has CTS (Watley and May, 2004).

However, findings from Barnett's (2001) study showed proximity was not related to moral recognition and was only related to moral judgment in the statement regarding personal use of company property. Other empirical analyses revealed that when proximity was not manipulated it did *not* have an effect on moral judgment (Morris and McDonald, 1995), nor did it have a significant effect on moral intentions (Singhapakdi et al., 1996).

Part of these mixed results may be traced back to the operationalization of the proximity construct. In general, proximity refers to the closeness that one feels toward others (Miner and Petocz, 2003), which reflects the manner in which the variable has been measured. For example, in the most recent attempt to assess the factor structure of moral intensity, the items used to measure proximity included "The harmful effects (if any) of the decision will affect people that are close to the decision maker" (reverse coded) and "The decision maker is unlikely to be close to anyone who might be negatively affected by the decision" (McMahon and Harvey, 2006, p. 384). However, Jones's (1991) description of proximity breaks down types of closeness into cultural, social, psychological, and physical dimensions, which are likely to have different effects on the EDM process. In this exploratory study of HRM professionals in the United States, we focus only on the distinctions among social, psychological, and physical proximity, in part because of the theoretical overlap between cultural proximity and these other dimensions.

We draw upon social identity theory (SIT; Tajfel and Turner, 1979) to differentiate between these types of proximity. SIT explains that individuals classify themselves and others into groups as a mechanism for defining oneself and those around him/her (e.g., "in-group"/"out-group"). This classification allows individuals to identify with particular groups. For example, the "minimal group paradigm" suggests that social identification with a group is temporary and that the person has low commitment to the group. A common characteristic that offers little to no personal meaning can provide the basis for group membership, yet this form of identification has been shown to influence individuals' decisions in favor of those in the same group (Ellemers et al., 2002). The degree of social identification increases as individuals feel a stronger commitment or belongingness to a group, which has a greater influence on various outcomes. Within organizational settings, SIT has implications for new employees entering organizations, discrimination and favoritism issues in employee-related decisions, and group dynamics (Ashforth and Mael, 1989).

Based on this information, we describe the *social* dimension of proximity using the minimal group paradigm, involving the simple nature of the identification as a group member based on a common personal characteristic, but with a low level of commitment (Ellemers et al., 2002). We interpret the *psychological* dimension of proximity to include a high level of commitment to others. This means that an individual will feel closer to others on an affective level, such as the commitment we feel toward our family members and close friends. *Physical* proximity is the most basic type of proximity, which refers to the spatial closeness between a decision-maker and those affected by the moral act. In contrast to social proximity and psychological proximity, physical proximity does not imply closeness based on "personal" levels.

Although we expect proximity in general to be related to moral recognition, moral evaluation, and moral intent, we do not believe the types of proximity will have the same effects. First, we believe that psychological proximity will have the strongest influence on moral recognition and moral intention compared to the other two types because of the strong identification with and commitment to others. The effects of this type of closeness are inferred by findings specific to organizational commitment. Specifically, the affective dimension of organizational commitment, which refers to an emotional attachment, is more strongly related to performance, attendance, and organizational citizenship behaviors compared to other types of organizational commitment (Meyer et al., 2001). Being close to others based on a strong emotional attachment is predicted to strongly influence the decision-maker's recognition of the existence of an ethical situation involving others and the intent to act ethically. In comparison, a minimalistic group identification and a simple spatial closeness are expected to elicit lower levels of moral recognition and moral intention.

Second, with respect to moral evaluation, we expect the different dimensions of proximity to be distinctly related to utilitarian and principle-based evaluations. When a psychological closeness exists between the decision-maker and those the decision will affect, the decision-maker is highly likely to consider his/her responsibilities to those individuals as well as the outcomes because of that person's strong identification to them. Therefore, psychological proximity should be closely related to principle-based evaluations *and* utilitarian evaluations. On the other hand, when the decision-maker does not strongly identify to those the decision will affect, such as with social proximity or physical proximity, the decision-maker may be more apt to focus on the outcomes than responsibilities. In these cases, a utilitarian evaluation is expected but not a principle-based evaluation. In addition, the relation between proximity and utilitarian evaluation will be stronger for psychological proximity compared to the other two types. These hypotheses include:

H2: Psychological proximity will be more strongly related to moral recognition, utilitarian evaluation, principle-based evaluation, and moral intention than social or physical proximity.

Proximity may also act as a potential moderator of the relation between the magnitude of consequences and the components of the EDM process. If psychological proximity exists between the decision-maker and those impacted by an ethical dilemma, we would consistently expect the components of the EDM process to be highly ethical. Thus, we maintain that information regarding the magnitude of consequences will have a relatively weak relation with the components of the EDM under such conditions. However, in situations where the close psychological identification is not present, the decision-maker is more likely to take into consideration other information in making a decision. Therefore, in situations where relatively weak social or physical proximity bonds are present between the decision-maker and others, the magnitude of consequences is expected to more strongly influence the EDM components. Such an argument is consistent with Mischel's (1977) work on strong and weak situations and reinforced by Flannery and May's (2000) findings in the EDM for environmental managers. Stated as a hypothesis:

H3: Magnitude of consequences will be more strongly related to moral recognition, utilitarian evaluation, principle-based evaluation, and moral intention when physical or social proximity exists than when psychological proximity exists.

Empathy

The following discussion of empathy explores the distinction of affect versus discrete emotions, describes the two components of empathy, and links empathy to the EDM process. First, compared to affect, which is trait-like and classified generally as positive or negative (Watson and Tellegen, 1985), emotions arise in response to specific events and situations that are salient to individuals (Fredrickson, 2001; Frijda, 1988; Gray and Watson, 2001). The emotions most often studied in organizational settings include anger, anxiety, guilt, shame, envy, jealousy, hope, happiness, pride, compassion, and love (Lazarus and Cohen-Charash, 2001). By studying discrete emotions as opposed to affect, more detailed information can be

assessed to differentiate emotions that fall into the same category of affect. For example, researchers have found fear to be positively related to perceived risk but anger to be negatively related to perceived risk, though both emotions are classified as negative affect (Lerner and Keltner, 2000). Other scholars have focused on the role of negative, discrete emotions in EDM (Connelly et al., 2004).

As previously discussed, the specific emotions that relate best to the study of ethics are often referred to as moral emotions. Haidt (2003) describes these emotions that concern the welfare of others as belonging to ''families'' that include other-condemning, self-conscious, other-suffering, and other-praising. This study focuses on the emotion related to feelings individuals often experience when others are suffering – most often known as empathy. Empathy is commonly described by researchers as the moral emotion concerning the welfare of others that facilitates interpersonal relationships and positively influences people to engage in prosocial and altruistic behaviors (Blasi, 1999; Hoffman, 1990; Pizarro and Salovey, 2002; Tangney, 1991).

Consistent with the conceptualization of emotions, empathy is comprised of two components – cognitive empathy and affective empathy (Hoffman, 1987, cited in Pizarro and Salovey, 2002). The cognitive component involves thinking about those potentially suffering in a given situation and taking their perspectives. In an organizational study, employees reporting higher levels of perspective-taking were better able to cooperate with team members and external contacts (Parker and Axtell, 2001). Additional research specific to this dimension of empathy has been examined among clinical psychology and medical school students. For example, individuals who experienced high levels of empathy performed significantly better than those who experienced low levels of empathy based on clinical competency (Hojat et al., 2002). These institutions recognize the importance of relating to patients/clients and teach students to empathize with them (Barak, 1990; Lambert and Barley, 2001; Rosenfield and Jones, 2004).

The affective component involves feelings of compassion and sympathy (Batson, 1990; Davis, 1983). An organizational study showed that feelings of compassion led to greater willingness to cooperate to negotiate an interpersonal outcome and resulted in a better outcome for both parties (Allred et al., 1997). Though we are concerned with the micro-level of analysis, it is also important to note that compassion has been described at a macro-level as an element of positive organizational scholarship (Cameron et al., 2003). This exemplifies how essential empathy can be to help an organization develop as a whole.

As evident in organizational ethics research, individuals engage in EDM processes without empathizing. However, we posit that empathy facilitates decision-making thereby enhancing the ethicality of the entire process. First, the presence of empathy enhances one's moral recognition of an ethical situation (Vetlesen, 1994). Therefore, higher levels of empathy should lead to a greater awareness of the situation having ethical implications, particularly when others may suffer as a result of a decision one makes.

Second, empathy has been hypothesized to influence moral judgment or evaluation (Pizarro, 2000). It is through concern for others that individuals are better able to reason and evaluate the adverse effects of their possible actions and decisions (Tangney and Dearing, 2002). However, because individuals who experience empathy are concerned about others potentially affected by a decision, we expect the decision-makers to consider their responsibilities to those others first and foremost. As such, empathy should be more closely related to principle-based evaluations than utilitarian evaluations. Finally, we expect that individuals who empathize are more likely to form highly ethical intentions, particularly in situations where the intent is to ensure employee health and well-being.

As few studies exist in the organizational behavior literature examining empathy, it is important to determine the distinct effects of cognitive empathy and affective empathy relative to EDM, even though the two components may be somewhat difficult to separate (Pizarro, 2000). Although it is thought to be the affective component of empathy that motivates us morally (Moore, 1990; Pizarro and Salovey, 2002), many employees engage in emotional labor to control their emotions (Ashforth and Humphrey, 1995; Sutton, 1991). In addition, empirical findings have shown that the cognitive element of empathy was more closely related to moral judgment than the emotional component (Kalliopuska, 1983; Leith and

Baumeister, 1998). Therefore, although both components of empathy should positively influence the EDM components, cognitive empathy is expected to be more strongly related than affective empathy. Stated as hypotheses:

H4a: Empathy will be positively associated to moral recognition, principle-based moral evaluation, and moral intention.

H4b: Cognitive empathy will be more strongly related to these components of the EDM process than affective empathy.

Moderating effects of empathy

As a positive emotion, empathy also possesses an "adaptive and interactive nature" (Wright, 2003, p. 440). Therefore, consistent with person-situation interaction approaches (Trevino, 1986), we propose that empathy moderates the relationships between moral intensity and the EDM components. When individuals experience high levels of empathy, they are more sensitive to information surrounding an ethical situation in which others may be affected.

First, the relationships between magnitude of consequences and the EDM phases are expected to be weak when individuals have low levels of empathy. Since individuals with low empathy do not have the ability to take others' perspectives and feel compassion, information regarding the potential effects on others will not influence their EDM process. When individuals report high levels of empathy, these relationships should be positive and strong. The difference between the two groups will be most significant given severe magnitude of consequences because that information will be more salient for individuals with high empathy than those with low empathy as decision-makers consider the potential harmful effects on others. The following hypothesis is offered:

H5: Magnitude of consequences will be more strongly related to the components of the EDM process when empathy is high rather than low.

Second, we expect that the strength of the relation between proximity-related information and the components of the EDM process will depend on the level to which individuals are able to empathize with others. As earlier, we expect that when psychological proximity identification is high, decision-makers should rate the EDM components consistently high, regardless of their empathy levels because of their deep affective connection with those impacted by the decision. However, empathy is likely to influence the relation between the other forms of proximity (physical and social) where the bonds are not as tight and individuals' EDM process is likely to be influenced by their empathy levels. Based on this discussion, the final hypothesis is:

H6: The relation between proximity types (physical and social) and the components of the EDM process will be stronger when empathy is high rather than low. Empathy is not expected to moderate the effect of psychological proximity on the EDM components.

Methodology

Research design and procedure

This study employed an experimental, fully crossed factorial design, manipulating high and low levels of magnitude of consequences and the social, psychological, and physical levels of proximity. Each participant received one of the six variations of the scenario representing the two factors crossed. The versions were numbered sequentially and were cycled through in order so that each new person to access the website received the next version of the scenario. The scenario was followed by a survey comprised of scales to measure moral recognition, utilitarian evaluation, principle-based evaluation, moral intention, cognitive empathy, and affective empathy, as well as items to check the independent variable manipulations, assess possible control variables, and capture demographic information.

Vignettes

The employee health vignettes contained information about an employee who was experiencing "tingling and numbness in her fingers," and the HR

manager's intent was to recommend that the employee see a doctor. The level of magnitude of consequences manipulation (mild or severe harm to the employee) was consistent with the wording from previous research (Watley and May, 2004). However, we developed the proximity manipulation that described the type of closeness between the decision-maker and the employee (social, psychological, or physical) for this research. Therefore, prior to administering the survey online to the HRM professionals, the proximity manipulation was pretested using responses from undergraduate business students from a Midwestern University.

Initial results of the manipulation check ($n = 90$) showed that the psychological proximity manipulation was statistically significant, $F(2, 87) = 13.46$, $p < 0.01$, as was the physical proximity manipulation, $F(2, 87) = 4.36$, $p = 0.02$. This indicated that these types of proximity were distinct from the other two types in each comparison. However, the social proximity comparison revealed no statistical distinction between social proximity and the other two types of proximity. As such, the wording of the social proximity manipulation was modified to be more relevant for HRM professionals, and the proximity manipulation was pretested again on a different sample of business students from the same institution.

The second pretest ($n = 98$) showed the psychological proximity and physical proximity comparisons to be statistically significant, $F(2, 95) = 21.01$, $p < 0.01$ and $F(2, 95) = 29.60$, $p < 0.01$, respectively, but the social proximity comparison was not. This nonsignificant result was partly attributed to unequal variance across groups in this analysis as well as the wording. In order to address an association with someone based on membership to the same group, the *social* proximity dimension involved the classification of the HR manager and the employee who is potentially harmed growing up in the same state. We needed to be careful in order to only imply an identification based only on a common characteristic without inferring any commitment to the employee. Since a large percentage of the students taking the pretest were from the same state, we interpreted the nonsignificant finding to mean that students perceived individuals were close physically and/or psychologically if given the social proximity manipulation. We chose to leave the wording as it was for the sample of HRM professionals who we believed were more likely to have more diverse backgrounds and experiences and would identify more with group classifications such as their home state, yet not be overly committed to one another based solely on that classification.

The other proximity manipulations included the following information: psychological proximity – the employee and HR manager were close friends and regularly socialize with one another; physical proximity – the employee works in a cubicle outside of the HR manager's door. As noted above, the manipulation for magnitude of consequences was identical to previous research (Watley and May, 2004): severe harm – surgery, physical therapy, and restricted work duty; mild harm – no surgery and the problem decreases in magnitude without medical attention. Examples of the full vignettes are provided in the Appendix.

Participants

The sample consisted of human resource professionals who were contacted through several Midwestern chapters of the SHRM, an online HRM discussion board, and letters sent to human resource departments of organizations with more than 250 employees that were located in the Midwest. The overall sample size was 93, which consisted of two-thirds (68%) women, and the mean age was 41-years-old. In terms of ethnic diversity, the sample was composed of nearly all white/Caucasian participants (95%). The education level of the majority of the sample was comprised of individuals who had received "bachelor's degrees" (49%). Most respondents reported working in service-type industries (42%) which included healthcare, insurance, consulting, and financial organizations. The mean size of the organizations was 2,486 employees. Mean organizational tenure for the participants was 6.94 years.

Measures

Ethical decision-making components

Each of the four EDM components – moral recognition, principle-based evaluation, utilitarian evaluation, and moral intention – was measured with

four items (16 scale items total). Several of these items were used in previous research (May and Pauli, 2002; Pauli and May, 2002), and we developed additional items to measure each construct. Therefore, we conducted exploratory factor analysis on all 16 items; items without a factor loading of 0.50 or higher and those that cross-loaded were omitted. Four factors were specified in the extraction based on the theoretical framework and previous research. Principal axis factoring was the method chosen to omit the unique and error variances and analyze only the shared variance between the 16 items. This method is most likely to lead to the identification of factors that will be stable across different samples (Tabachnick and Fidell, 2001). Oblique (Direct Oblimin) rotation was specified because the factors were presumed to correlate. After dropping two principle-based evaluation and two moral intention items due to low factor loadings, the final factor structure resulted in explaining 85% of the variance. The items for each scale and scale reliabilities are described below.

Moral recognition: Respondents were asked to report their level of agreement that each scenario involved an ethical issue. The final scale consisted of four, 7-point Likert scale items. These included: ''The scenario involves an ethical problem,'' ''Pat was faced with an ethical issue,'' ''The HRM scenario posed ethical issues,'' and ''Ethical issues had to be considered by Pat in the decision;'' $\alpha = 0.93$.

Principle-based moral evaluation: The two, 7-point Likert items included: ''Pat's decision considered her obligations to ensure Chris's well-being'' and ''Pat's decision incorporated her responsibility to Chris;'' $\alpha = 0.85$.

Utilitarian moral evaluation: This scale was comprised of four items: ''Pat's decision considered what was best for all in the organization,'' ''Pat's decision was in the best interest for everyone in the company,'' ''Pat's decision accounted for the benefits and costs for all employees,'' and ''The overall impact of Pat's decision on the organization was positive;'' $\alpha = 0.92$.

Moral intention: Participants were assessed on their level of agreement with the decision presented in each scenario; the greater the degree of agreement to recommend that the employee sees a doctor signifies higher ethicality. The final two items comprising the 7-point Likert scale were: ''I would not recommend Chris make a doctor's appointment if I was Pat'' (reverse scored) and ''I would advise Chris to see a physician;'' $\alpha = 0.86$.

Empathy

In order to measure cognitive and affective dimensions of empathy, we modified the perspective-taking and empathic-concern subscales from the Interpersonal Reactivity Index (IRI; Davis, 1980) to be specific to the employee health and safety. These two modified subscales consisted of four items each, using 7-point Likert-type scales (1 = strongly disagree to 7 = strongly agree). Exploratory factor analysis was conducted to ensure the items loaded at 0.50 or higher and on the appropriate factor. Using principal axis factoring with oblique rotation, two factors were specified. After removing three items, the final factor structure explained a total of 75% of the variance. The items for the two scales and reliabilities are presented below.

Cognitive empathy: This scale was comprised of three items, which include ''I usually try to understand other's health issues better by imagining how things look from their perspective,'' ''Before making decisions regarding employee health and wellness, I put myself in their shoes,'' and ''I typically think of how the decisions I make about health and safety concerns would affect employees if I were them;'' $\alpha = 0.86$.

Affective empathy: The two items loading on this factor included ''I tend to get emotionally involved with employee problems'' and ''I am able to make employee safety- and health-related decisions without being influenced by their feelings'' (reverse scored). The reliability for this subscale was $\alpha = 0.56$, which is lower than the recommended $\alpha = 0.70$ cutoff for exploratory research (Lance et al., 2006; Nunnally, 1978). We retained this measure in the study as it is a key variable, recognizing that the low reliability can limit the strength of the hypothesized relations between the variables.

Control variables

Organizational ethics research shows that individual difference and situational variables may affect the EDM process (Loe et al., 2000). Gender effects on EDM are mixed, though findings indicate women are generally more ethical than men (Franke et al., 1997; Loe et al., 2000), and women report signifi-

cant higher levels of empathy than men (Davis, 1983).

Consistent with other organizational ethics research, instrumental ethical climate, $\alpha = 0.86$, was measured as a possible control for the effect that the organization might have on the participant's power to make ethical decisions (Flannery and May, 2000). Furthermore, prior knowledge of the subject was included as it was found to significantly influence ethical intention in a carpal tunnel scenario (Watley and May, 2004). Since professional tenure was found to be related to the EDM process of information systems professionals (Pauli and May, 2002), organizational tenure was added as a possible control in this research.

Data analyses

Prior to conducting factor analyses on the EDM items and empathy items, univariate data screening was performed. Missing values were replaced using the expectation-maximization method of maximum likelihood data imputation for items missing no more than 6% of the data (Schafer and Graham, 2002). No outliers existed and data were normally distributed. After composite scores were computed, two outliers were found with respect to the cognitive empathy scale. These cases were omitted from further analyses, resulting in a final sample size of 93.

Manipulation checks for the independent variables showed the magnitude of consequences manipulation to be marginally significant (item: ''Chris is facing serious consequences to her health''; $F(1, 91) = 3.47$, $p = 0.07$) and the proximity manipulation to be significant for the psychological dimension (items: ''Pat and Chris likely share personal information about each other'' and ''Pat and Chris get together outside of work''; $\alpha = 0.86$; $F(2, 90) = 22.36$, $p < 0.01$) and physical dimension (items: ''Chris's desk is located near Pat's'' and ''Pat's office is close to Chris's workstation''; $\alpha = 0.86$; $F(2, 90) = 13.57$, $p < 0.01$).

Findings indicated that social proximity was not a distinct manipulation compared to psychological and physical proximity. However, post-hoc tests of the proximity manipulation checks indicated that psychological proximity was distinct in comparison to social and physical proximity, and physical proximity was distinct compared to social and psychological. We chose to retain all of the cases in which to make comparisons among the proximity dimensions. This allowed us to preserve the power associated with the larger overall sample size. Results of the analyses are presented next.

Results

A review of the means, standard deviations, and intercorrelations among all of the variables (shown in Table I) presents important observations. First, examination of the overall means of the EDM components and empathy variables shows that respondents tended to report high levels of cognitive empathy but low levels of affective empathy. Second, of the control variables that were included on the survey, the correlations of organizational tenure with principle-based evaluation and utilitarian evaluation were statistically significant at the $p = 0.05$ level. Third, the moderator variables hypothesized in the study were not significantly correlated to the independent variables or dependent variables, which allows for the interaction term to be interpreted more clearly (Baron and Kenny, 1986). Fourth, the correlations among utilitarian evaluation, principle-based evaluation, and moral intention are relatively high at $r = 0.63$–0.64, which is a good indicator that these measures are closely related as they should be, yet remain distinct elements of the EDM process.

In addition, the final sample is comprised of unequal cell sizes (see Table II). Multiple regression is the preferred statistical method for hypothesis tests when the cell sizes in a factorial design are unequal (Pedhazur, 1997). Therefore, we created dummy-coded variables to represent the magnitude of consequences and dimensions of proximity to enter into the regression equations.

The first set of hypotheses specified the relationships between magnitude of consequences and the components of EDM. The only statistically significant relationship found was between magnitude of consequences and principle-based evaluation; the significance of this test was marginal, $\beta = 0.19$, $t(90) = 1.83$, $p = 0.07$. This indicates that as the consequential information becomes more severe, HRM professionals somewhat perceived that the decision-maker considered one's responsibilities

TABLE I

Means, standard deviations, and intercorrelations[a] among the variables

	Mean	*SD*	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Control variables																
1 Gender[b]	0.68	–	–													
2 Instrumental ethical climate	3.33	1.22	−0.02	–												
3 Prior knowledge	4.64	1.50	−0.02	0.07	–											
4 Organization tenure	6.94	6.93	0.03	−0.15	0.10	–										
Independent and moderating variables																
5 Magnitude of consequences[b]	0.51	–	−0.03	0.01	0.10	0.05	–									
6 Psychological proximity[b]	0.35	–	0.02	0.05	0.08	−0.24**	0.01	–								
7 Social proximity[b]	0.32	–	−0.05	0.04	−0.04	0.06	0.02	−0.50**	–							
8 Physical proximity[b]	0.33	–	0.04	−0.08	−0.04	0.19*	−0.03	−0.52**	−0.48**	–						
9 Cognitive empathy	5.30	1.08	−0.10	0.18*	0.34**	−0.02	−0.12	0.11	−0.14	0.03	–					
10 Affective empathy	3.25	1.20	−0.02	−0.03	−0.25**	−0.34**	0.01	0.13	−0.16	0.02	0.04	–				
Dependent variables																
11 Moral recognition	4.59	1.48	0.03	0.04	0.10	0.05	−0.02	0.10	−0.11	0.01	0.04	−0.03	–			
12 Principle-based moral evaluation	4.98	1.34	−0.06	0.03	0.09	−0.21**	0.18*	−0.08	0.05	0.04	0.21**	0.13	−0.06	–		
13 Utilitarian moral evaluation	4.46	1.43	−0.06	−0.13	0.13	−0.21**	0.02	−0.02	0.04	−0.02	0.11	0.07	0.11	0.64**	–	
14 Moral intention	4.89	1.56	−0.02	0.05	0.03	−0.16	0.05	0.02	0.10	−0.12	0.23**	0.22**	0.00	0.64**	0.63**	–

[a]Correlations based on pairwise deletion of missing values; *$p \leq 0.10$, ** $p \leq 0.05$.
[b]Categorical variable was dummy-coded.

TABLE II

Group sizes of the magnitude of consequences by proximity factorial design

Magnitude of consequences	Proximity			Total
	Psychological	Social	Physical	
Mild harm	16	14	16	46
Severe harm	17	15	15	47
Total	33	29	31	93

toward the person who was potentially being harmed. This marginal result provides partial support for Hypothesis 1. All results for this hypothesis are presented in Table III.

The second hypothesis involved the distinct effect that psychological proximity has on the four EDM components compared to social proximity and physical proximity. In order to test this hypothesis, psychological proximity was used as the "control" group, and the dummy-coded variables for social and physical proximity were entered into the regression equation together. The *t*-test for each coefficient is a test of the differences between the mean of each group compared to the control group. Results of the regression analyses showed that proximity did not explain a statistically significant amount of variance in any component of the EDM process (see Table III). In addition, no statistically significant mean differences existed between psychological proximity and the other two types. These nonsignificant findings suggest that the different types of information regarding the type of closeness the decision-maker has to an employee do not influence the EDM process. Hypothesis 2 was therefore not supported.

The third hypothesis specified an interaction between magnitude of consequences and proximity on the components of the EDM process. For these analyses, we focused only on the two statistically significant proximity manipulations based on the post-hoc examination of the manipulation check analyses. New dummy-coded variables were created to represent psychological proximity and physical proximity such that each type is compared to the other two (i.e., psychological closeness versus nonpsychological closeness and physical proximity versus nonphysical proximity).

TABLE III

Direct effects of magnitude of consequences, proximity, and empathy on the EDM components

	Moral recognition			Utilitarian evaluation			Principle-based evaluation			Moral intention		
	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$
Step 1: Control		0.00			0.04			0.04**			0.03	
Step 2: IV		0.00	0.00		0.04	0.00		0.08**	0.03*		0.03	0.00
Control: Org tenure	0.05			−0.21**			−0.22**			−0.16		
Magnitude of consequences	−0.02			0.03			0.18*			0.06		
Step 1: Control		0.00			0.04**			0.04**			0.03	
Step 2: IV		0.02	0.02		0.05	0.01		0.06	0.02		0.04	0.01
Control: Org tenure	0.07			−0.22**			−0.24**			−0.15		
Social proximity	−0.15			0.08			0.13			0.08		
Physical proximity	−0.07			0.06			0.14			−0.05		
Step 1: Control		0.00			0.04**			0.04**			0.03	
Step 2: Predictors		0.00	0.00		0.05	0.01		0.09**	0.05		0.11**	0.08**
Control: Org tenure	0.05			−0.21*			−0.19*			−0.09		
Cognitive empathy	0.04			0.10			0.20**			0.22**		
Affective empathy	−0.02			−0.01			0.06			0.18*		

*$p < 0.10$; **$p < 0.05$.

In order to show that moderation exists, the predictor variables are controlled for prior to entering the interaction term into the model. For these hypotheses, we first controlled for organizational tenure by entering it into step one of the regression analysis. Then, the dummy coded variables for magnitude of consequences and one type of proximity were entered in step two. In step three, the interaction term (the product of magnitude of consequences and proximity) was entered. Moderation is present if step three results are statistically significant (Baron and Kenny, 1986). As combining groups of proximity types created unequal cell sizes, the main effects may be correlated and the *F*-change value must also examined. The *F*-change value of the third step is the test of the model with the main effects partialed out (Pedhazur, 1997).

Findings showed the interaction of magnitude of consequences and physical proximity to explain a statistically significant amount of variance in utilitarian evaluation at the $p = 0.05$ level, $F\Delta(88, 1) = 5.13$, $\beta = 0.36$, $t(88) = 2.26$, $p = 0.03$, and a marginally significant amount of variance in moral intention, $F\Delta(88, 1) = 3.71$, $\beta = 0.31$, $t(88) = 19.3$, $p = 0.06$ (see Table IV). Graphical representation illustrated that the magnitude of consequences was positively related to utilitarian evaluations when physical proximity information was considered. When a decision-maker had other proximity-related information, the relationship between magnitude of consequences and utilitarian evaluation was nonexistent or slightly negative (see Figure 2). Similarly, the relationship between magnitude of consequences and moral intention was positive given physical proximity information, but was weak or nonexistent given social or psychological information. Therefore, Hypothesis 3 was partially supported.

Hypothesis 4 proposed a direct effect of empathy on moral recognition, principle-based evaluation, and moral intention. In these regression analyses, organizational tenure was entered in the first step as the control variable and both cognitive and affective empathy were entered in the second step. Findings showed empathy explained a statistically significant amount of the variance in principle-based evaluation, $R^2 = 0.09$, $F(2, 89) = 2.88$, $p = 0.04$, and moral intention, $R^2 = 0.11$, $F(2, 89) = 3.49$, $p = 0.02$. In addition, the cognitive dimension of empathy was a statistically significant predictor of principle-based evaluation, $\beta = 0.20$, $t(89) = 2.00$,

TABLE IV

Moderating effect of proximity on the relationships between magnitude of consequences and the EDM components

	Moral recognition			Utilitarian evaluation			Principle-based evaluation			Moral intention		
	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$
Step 1: Control		0.00			0.04**			0.04**			0.03	
Step 2: Predictors		0.02	0.02		0.05	0.01		0.10**	0.06*		0.03	0.00
Step 3: Interaction		0.02	0.00		0.06	0.01		0.10*	0.00		0.03	0.00
Control: Org tenure	0.08			−0.23**			−0.25**			−0.17		
Predictor: MOC	−0.01			0.11			0.14			0.09		
Predictor: Psych proximity	0.15			−0.03			−0.21			0.02		
MOC × Psych proximity	−0.05			0.17			0.11			−0.07		
Step 1: Control		0.00			0.04**			0.04*			0.03	
Step 2: Predictors		0.00	0.00		0.04	0.00		0.09**	0.05		0.04	0.01
Step 3: Interaction		0.01	0.01		0.10**	0.06**		0.09*	0.00		0.07	0.03*
Control: Org tenure	0.04			−0.24**			−0.23**			−0.16		
Predictor: MOC	−0.07			−0.13			0.21*			−0.09		
Predictor: Physical proximity	−0.07			−0.20			0.11			−0.28*		
MOC × Physical proximity	0.11			0.36**			−0.04			0.31*		

*$p < 0.10$; **$p < 0.05$.

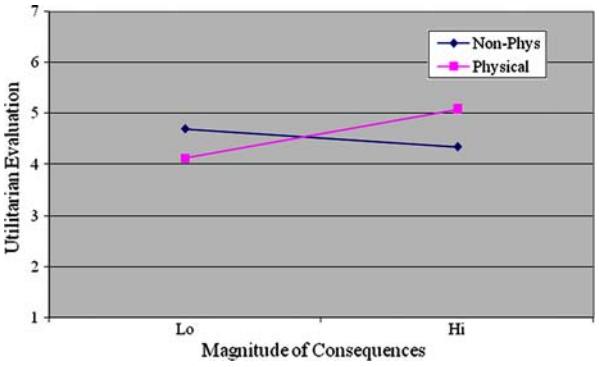

Figure 2. The moderating effect of proximity on the relationship between magnitude of consequences and utilitarian evaluation.

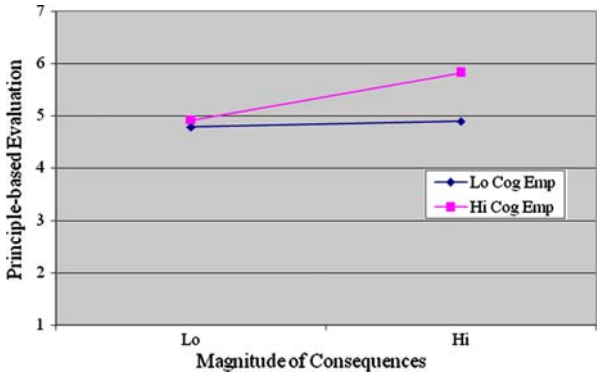

Figure 3. The moderating effect of cognitive empathy on the relationship between magnitude of consequences and principle-based evaluation.

$p = 0.05$, and moral intention, $\beta = 0.22$, $t(89) = 2.18$, $p = 0.03$. The affective dimension of empathy was a marginally significant predictor of moral intention, $\beta = 0.18$, $t(89) = 1.72$, $p = 0.09$. These results, which are summarized in Table III, provide support for Hypotheses 4.

The last two hypotheses dealt with the interaction between the dimensions of moral intensity and empathy. For each of the analyses, organizational tenure was entered as the control in step one, the moral intensity dummy coded variable and empathy measure (centered following recommendations by Aiken and West (1991)) were entered in step two, and the interaction term was entered in step three.

The moderating effect of cognitive empathy on the relationship between magnitude of consequences and the EDM components was marginally statistically significant for principle-based evaluations, $\beta = 0.24$, $t(88) = 1.64$, $p = 0.10$. Graphical representation demonstrated that the relationship between magnitude of consequences and principle-based evaluation was strong and positive when cognitive empathy was high. The relationship between magnitude of consequences and principle-based evaluation was weak for individuals who reported low levels of cognitive empathy (see Figure 3). The interaction between affective empathy and magnitude of consequences was not a significant predictor of any EDM components. These findings provide partial support for Hypothesis 5.

Cognitive empathy was also found to moderate the relationship between proximity and utilitarian evaluations at a marginal level, $F\Delta(88, 1) = 2.83$, $\beta = -0.24$, $t(88) = -1.68$, $p = 0.10$, such that the ratings of utilitarian evaluations were different across proximity types when empathy was low versus high. Specifically, the physical proximity condition exhibited higher levels of utilitarian evaluations when cognitive empathy was high versus low, while the combined psychological/social proximity group did not differ in their utilitarian evaluations between the two empathy conditions (see Figure 4). Affective empathy marginally moderated the relationship between physical proximity and principle-based evaluation, $F\Delta(88, 1) = 2.72$, $\beta = -0.20$, $t(88) = -1.65$, $p = 0.10$. The physical proximity condition showed higher levels of principle-based evaluation when affective empathy was high compared to low, while the nonphysical types of proximity demonstrated higher levels of principle-based evaluation

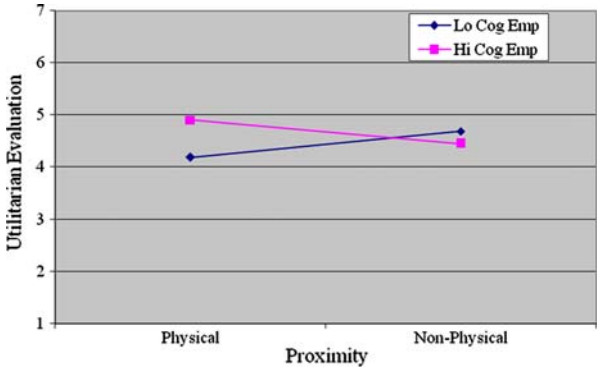

Figure 4. The moderating effect of cognitive empathy on the relationship between proximity and utilitarian evaluation.

when affective empathy was low compared to high. These findings partially support Hypothesis 6. All test statistics for these hypotheses discussed are presented in Tables V and VI.

Discussion

This research first sought to extend previous findings concerning the EDM process and moral intensity. In previous research using this carpal tunnel vignette on a sample of managers, magnitude of consequences was directly and positively related to moral intention (Watley and May, 2004). However, in this study of HRM professionals, this direct relationship was not significant. It is possible that the HRM professionals, who have more experience with and knowledge of CTS compared to a manager in other functional areas, did not perceive the information specific to the severity of harm to be strong. In addition, awareness of this type of workplace injury has likely become more common in society in general, which may cause individuals to not perceive it as a severe harm. This may be reflected in the number of reported CTS cases in the U.S. that declined 21% in 2006 (BLS, 2007), or perhaps organizations are implementing effective workplace interventions. In this research, though the magnitude of consequence manipulation was significant, the mean score of magnitude of consequences for the group receiving the ''severe'' manipulation was not much above neutral on a scale of 1–7 ($M = 4.31$; $SD = 1.35$).

We did find that magnitude of consequences was directly related to principle-based evaluation, which was not previously examined in this job-related harm context. This implies that as the consequences

TABLE V

Moderating effect of cognitive empathy on the relationships between moral intensity dimensions and the EDM components

	Moral recognition			Utilitarian valuation			Principle-based evaluation			Moral intention		
	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$
Step 1: Control		0.00			0.04**			0.04*			0.03	
Step 2: Predictors		0.00	0.00		0.06*	0.02		0.13**	0.09**		0.08**	0.05*
Step 3: Interaction		0.01	0.00		0.07*	0.01		0.16**	0.03*		0.10**	0.04
Control: Org tenure	0.06			−0.19*			−0.19*			−0.13		
Predictor: MOC	−0.02			0.04			0.21**			0.08		
Predictor: Cognitive emp	−0.02			−0.02			0.05			0.09		
MOC × Cognitive empathy	0.07			0.17			0.24*			0.20		
Step 1: Control		0.00			0.04**			0.04*			0.03	
Step 2: Predictors		0.02	0.02		0.06*	0.02		0.11**	0.07**		0.08*	0.05*
Step 3: Interaction		0.02	0.00		0.06*	0.00		0.11**	0.00		0.08*	0.01
Control: Org tenure	0.08			−0.23**			−0.24**			−0.16		
Predictor: Psych proximity	0.11			−0.09			−0.16			−0.05		
Predictor: Cognitive emp	0.02			0.09			0.21*			0.19		
Psych prox × Cog emp	0.01			0.04			0.03			0.09		
Step 1: Control		0.00			0.04**			0.04**			0.03	
Step 2: Predictors		0.00	0.00		0.05	0.01		0.09**	0.05		0.08**	0.05*
Step 3: Interaction		0.02	0.02		0.08*	0.03*		0.10**	0.01		0.11**	0.03
Control: Org tenure	0.09			−0.16**			−0.19*			−0.09		
Predictor: Phys proximity	−0.01			0.01			0.07			−0.10		
Predictor: Cognitive emp	0.17			0.27*			0.31**			0.37**		
Physical prox × Cog emp	−0.19			−0.24*			−0.16			−0.21		

*$p < 0.10$; **$p < 0.05$.

TABLE VI

Moderating effect of affective empathy on the relationships between moral intensity dimensions and the EDM components

	Moral recognition			Utilitarian evaluation			Principle-based evaluation			Moral intention		
	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$	β	R^2	$R^2\Delta$
Step 1: Control		0.00			0.04**			0.04**			0.03	
Step 2: Predictors		0.00	0.00		0.04	0.00		0.08	0.04		0.06	0.03
Step 3: Interaction		0.00	0.00		0.05	0.01		0.08	0.00		0.06	0.00
Control: Org tenure	0.05			−0.21*			−0.20*			−0.10		
Predictor: MOC	−0.02			0.03			0.18*			0.05		
Predictor: Affective emp	−0.01			−0.03			0.11			0.25		
MOC × Affective empathy	0.00			0.04			−0.08			−0.09		
Step 1: Control		0.00			0.04**			0.04**			0.03	
Step 2: Predictors		0.02	0.02		0.05	0.01		0.07	0.03		0.06	0.03
Step 3: Interaction		0.02	0.00		0.05	0.00		0.09*	0.02		0.06	0.00
Control: Org tenure	0.08			0.23**			−0.24**			−0.10		
Predictor: Psych proximity	0.12			−0.08			−0.15			−0.03		
Predictor: Affective emp	0.06			−0.02			−0.09			0.17		
Psych prox × Aff emp	−0.11			0.03			0.22			0.03		
Step 1: Control		0.00			0.04**			0.04**			0.03	
Step 2: Predictors		0.00	0.00		0.04	0.00		0.05	0.01		0.07*	0.04
Step 3: Interaction		0.01	0.01		0.05	0.01		0.08	0.03*		0.07	0.00
Control: Org tenure	0.04			−0.22*			−0.22*			−0.07		
Predictor: Phys proximity	0.01			0.02			0.08			−0.10		
Predictor: Affective emp	0.05			0.02			0.16			0.22*		
Physical prox × Aff emp	−0.13			−0.06			−0.20*			−0.03		

*$p < 0.10$; **$p < 0.05$.

became more severe, HRM professionals were more likely to presume the decision-maker would consider their responsibilities to others. This direct relationship was also reported in previous findings on information systems professionals by Pauli and May (2002).

In addition, we explored how various types of proximity can influence the EDM process. Though there were no significant differences in the types of proximity for the EDM components, the physical dimension was found to moderate the relationships between magnitude of consequences and utilitarian evaluations as well as magnitude of consequences and moral intention. This indicates that when the information regarding the closeness between the decision-maker and those affected is weak (i.e., physical proximity), information regarding the severity of harm has a significant impact on the way in which the alternatives are evaluated and the intention that is formed. Specifically, when physical proximity was present, HRM professionals perceived the decision-maker to consider the outcomes and form more ethical intentions given severe harm information rather than mild harm information. Such a finding is consistent with the work of Mischel (1977) on strong and weak situations that is created by the proximity bonds in a work context.

Second, this study contributes to organizational ethics research by integrating empathy into the EDM framework. Cognitive empathy was significantly and directly related to principle-based evaluation and moral intention. This implies that as the degree to which individuals take others' perspectives in response to specific events increases, the more likely they are to consider their responsibilities toward others and form highly ethical intentions. Affective empathy was also a marginally statistically significant predictor of moral intention. This provides evidence that even low levels

of compassion can have a positive influence on the ethicality of decisions concerning physical harm to an employee. The nonsignificant relationship between empathy and utilitarian evaluation provides support for our line of reasoning that managers who empathize are more concerned with responsibilities toward others than the costs and benefits of the outcomes. However, given previous research that reports managers most commonly engage in utilitarian evaluations (Fritzsche and Becker, 1984; Premeaux, 2004), we question if managers empathize as often as they should be.

Finally, empathy moderated relationships between moral intensity and EDM components in the following ways: (1) The predicted positive relation between magnitude of consequences and principle-based evaluations was stronger for those who experienced high levels of cognitive empathy than those who had low levels of empathy. In fact, those individuals who experienced low levels of cognitive empathy had principle-based evaluations that did not differ between mild and severe consequences. (2) Individuals who experienced high levels of cognitive empathy had higher levels of utilitarian evaluations under physical proximity conditions than those with low levels of cognitive empathy, although these levels did not differ with nonphysical proximity manipulations. (3) Principle-based evaluations were greater for individuals who had physical proximity information when affective empathy was high compared to low, suggesting that compassion is influential in the consideration of one's responsibilities to others when a weak situation is present. In contrast, individuals who received psychological or social proximity information reported higher levels of principle-based evaluation when affective empathy was low than high. In these strong situations, affective empathy is not necessary to greatly consider one's responsibilities to others. In sum, these results indicate that information about the degree of harm and type of closeness has more influence on the EDM process for individuals who are more likely to take other people's perspectives and feel compassion toward them, particularly when a weak situation exists.

Future research

First, we believe that research should continue on the EDM process and the relation between the philosophical evaluations and the components of moral recognition and moral intentions. Specifically, researchers should investigate the psychological and organizational dimensions that influence whether moral intentions actually lead to ethical decisions and actions. This will likely require creative approaches to designing studies to help control for bias in ethical behaviors. Methods such as in-basket exercises and assessment centers may be useful in studying actual behaviors and decisions. Collecting data using large sample sizes will also allow researchers to conduct confirmatory factor analyses on the EDM components that will help strengthen the validity of the measures.

This research used a previously tested vignette concerning a type of physical harm. In the future, the same theoretical model could be tested using different types of harm, which also includes economic, cognitive, and emotional (e.g., May et al., 2006). Furthermore, investigating the moderating effects of cognitive empathy on the relationships between the other dimensions of moral intensity and EDM components would better help us understand how important empathy is for making ethical decisions. Exploring these relationships using a cross-cultural perspective would provide information regarding emotions influence the EDM processes of individuals from various cultures as well as information regarding the cultural type of proximity. This also warrants additional work on developing the manipulations to adequately reflect the meaning of the proximity dimensions.

Finally, it will be beneficial to determine how dispositions and mood states influence the EDM process. Research shows positive affect and negative affect influence the extent to which individuals will consider all of the information available when making their decisions in different ways. For example, findings on positive affect from a sample of doctors showed that they assimilated more information into making a diagnosis (Estrada et al., 1994). Positive emotions also lead to more creative problem solving and better information integration (Isen, 1993), as well as increased variety seeking (Kahn and Isen, 1993). It is likely, then, that varying levels of positive and negative affect will impact an individual's ability to recognize specific information regarding an ethical dilemma. Furthermore, because the conceptualization of empathy remains problematic (Haidt, 2003), additional conceptual and

empirical research will help to distinguish empathy-related constructs as abilities, dispositional traits, interpersonal skills, and emotional reactions. Gaining this insight will allow researchers to develop more concise implications for managers.

Management implications

It was expected that information regarding the consequences of an act and personal details of those affected by the act would impact employee decision-making. Since consequential information was influential in evaluating the ethical decision, managers should ensure that this type of information is available when making other decisions. This is especially important when no legal regulations apply and no organizational policy currently exists, such as may be the case in RSI's caused by poor ergonomic job design.

The theoretical framework here suggested that it is essential to provide personal information regarding the closeness of the decision-maker to those affected, but it is not as important that the individual recognize the ethical implications. Information based on the closeness between decision-makers and employees in addition to severe harm would enhance any individual's perception regarding the ethicality of the act. In particular, managers should provide employees with more personal information that accentuates the friendship or relationship they have to those affected by decisions. It also means that organizations may wish to encourage their managers to get to know their employees and other stakeholders well, while respecting their rights of privacy, to encourage ethical responses. Of course, when HRM professionals and other managers are able to empathize with employees, the ethicality of decisions will be enhanced as well.

Therefore, training managers to recognize different types of information may lead to differences in the way they make decisions concerning ethical dilemmas. By recognizing information that infers closeness with employees, they should be able to make better-informed decisions. In addition, cognitive empathy may be considered a skill that can be developed through training. Organizations can model empathy-skills training from classes and sessions that are incorporated into training for physicians, clinical psychologists, and veterinarians. HRD professionals can also create their own training interventions and test their effects to determine the most effective methods to enhance cognitive and affective empathy. In order to supplement and strengthen training efforts, organizational norms should be advocated to encourage employees to examine decisions from others' points of view.

Strengths and limitations

As the study was set up as a factorial design, two levels of magnitude of consequences (low and high) were crossed with three levels of proximity (social, psychological, and physical). As such, the effects of both treatments were able to be simultaneously evaluated and allowed for the test of interaction effects. In addition, internal validity threats were minimized by the design of the quasi-experiment, and the assignment of subjects to groups was administered by the sequencing of the scenarios on the website.

Perhaps the most significant limitation for this study concerned the small sample size such that the power to detect effects due to the treatments was relatively low. However, small sample sizes are not always a disadvantage (Abelson, 1997). We would expect that with larger sample sizes, greater confidence in the scales would be realized and the effects that were detected would approach higher levels of statistical significance.

We also note the degree of error in the affective empathy scale. However, even with low reliability, two marginally significant relations were found with respect to affective empathy. The low reliability likely put a cap on the strength of the relations that were found, and we expect that a more reliable measure would increase the strength and number of significant findings (Lance et al., 2006).

By nature of a web-based survey, respondents are more likely to participate if the issue is salient to them (Ilieva et al., 2002). Given that a high percentage of individuals who logged onto the website completed the survey (85%, $n = 93$), we suspect that these individuals were particularly interested in CTS. Based on additional information we collected, nearly all of the survey participants (83%) reported working closely with a sufferer of RSI's and nearly two-thirds

(60%) reported having a friend or family member who has experienced RSI's. Related to this is the concern that individuals could have been able to guess the hypotheses, the constructs the items measured, or the desired responses. Although this is a major concern with ethics research, these threats were minimized by the placement of items on the questionnaire and not allowing respondents to go back to previous sections on the survey's web pages.

Based on this empirical investigation, we have only begun to answer the two research questions initially specified. First, we found the severity of harm and the type of closeness influenced moral evaluations and moral intention. Additional work can be done to determine interaction effects with other moral intensity dimensions and extend these initial findings specific to the proximity types. Furthermore, by including empathy into an EDM framework, we can better understand the positive role of emotion. In organizational contexts, employees who are better able to take others' perspectives and feel compassion toward others will likely make more informed and more ethical decisions to benefit the entire organization.

Appendix

Example vignette 1: severe harm; psychological proximity

Pat Hanson is the Human Resource manager in an organization very similar to yours. Last Monday morning, Pat overheard Chris, an office assistant with whom Pat had become close friends and regularly socializes with, talking about ''tingling and numbness in her fingers'' and how her hand felt weak when she tried to open a jar over the weekend.

Pat knows that this condition can be caused either by the near-constant typing that dominates the office assistant's time at work or by the gardening and weeding she's been doing at home. Without attention, Pat knows that this problem could escalate to the point where surgery would be required. An incision would be made on the inside of the wrist to allow for more space for the swollen nerves. Recovery from surgery is moderately painful and would include physical therapy and restricted work duty for several months. Some patients never completely recover.

After thinking about it, Pat insists that Chris make an appointment to see a physician this week.

Example vignette 2: mild harm; social proximity

Pat Hanson is the Human Resource manager in an organization very similar to yours. Last Monday morning, Pat overheard Chris, an office assistant who grew up in the same state as Pat, talking about ''tingling and numbness in her fingers'' and how her hand felt weak when she tried to open a jar over the weekend.

Pat knows that this condition can be caused either by the near-constant typing that dominates the office assistant's time at work or by the gardening and weeding she's been doing at home. Without attention, Pat knows that this problem sometimes decreases in magnitude and surgery is not required.

After thinking about it, Pat insists that Chris make an appointment to see a physician this week.

Example vignette 3: severe harm; physical proximity

Pat Hanson is the Human Resource manager in an organization very similar to yours. Last Monday morning, Pat overheard Chris, an office assistant who works in a cubicle just outside Pat's office door, talking about ''tingling and numbness in her fingers'' and how her hand felt weak when she tried to open a jar over the weekend.

Pat knows that this condition can be caused either by the near-constant typing that dominates the office assistant's time at work or by the gardening and weeding she's been doing at home. Without attention, Pat knows that this problem could escalate to the point where surgery would be required. An incision would be made on the inside of the wrist to allow for more space for the swollen nerves. Recovery from surgery is moderately painful and would include physical therapy and restricted work duty for several months. Some patients never completely recover.

After thinking about it, Pat insists that Chris make an appointment to see a physician this week.

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