

# Corporate ethics assignment

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As business becomes more globalized, therefore, it may make more sense to analyze the effects of corporate cultures, rather than national cultures, on ethical intentions and, where possible, behavior. As a corollary, if corporate culture is an effective predictor of ethical intentions, the relationship should hold in NY country. As Octagon et al. (2001) wrote: "the logic of our hypotheses should hold regardless of the nation in which we test them" (p. 267). No model in the business- or marketing-ethics decision-making literature has been proposed to apply only to people of particular nationalities.

Besides the globalization effects of corporations, the United Nations was able to agree, as long ago as 1948, on a Universal Declaration of Human Rights. More specifically, Donaldson and Dunfee concluded that a number of "hyperlinks" exist for international businesses: "in business ethics we're more alike than we think" (1999, p. 231). Therefore, the main goals of this study are two: (1) to test a pattern of ethical decision making that predicts ethical intentions of individuals within corporations based primarily on the ethical values embedded in corporate culture, and (2) to see whether that model is generally stable across countries.

In addition, we test the moderating effects of personal moral philosophies on the relationship between corporate ethical values and ethical intentions. To those ends, we first explore the extant research on corporate ethical values, personal moral philosophies and ethical intentions. We then propose a model, following Dye's religious methodological analysis, to determine its validity across and within the samples. Thereafter, we discuss implications for managers, describe the limitations inherent in our study, and recommend possible

studies that we hope will add to this work, within the research stream. The relationships it specifies are generally consistent with a number of well-researched models in the marketing literature (e. G. , Hunt and Vital 1986, 1993; Farrell and Gresham 1985; Farrell et al. 1989). We then review the theoretical and empirical studies on corporate ethical values and moral philosophies (idealism and relativism), in order to build the theoretical background for the development of our hypotheses.

**Model** The model we test in this research proposes that the ethical values that people perceive within their organizations affect their intentions to act ethically or otherwise (see Fig. 1). In other words, corporate ethical values affect ethical intentions. We also examine the possible moderating effects of personal moral philosophies?? idealism and relativism. The depiction of corporate ethical values as preceding individual moral values differs from that shown in some models of ethical decision making.

Hunt and Vital (1993), for example, show individual and corporate variables at the same “ level,” preceding the individual’s initial perception that an ethical problem may exist in a given situation. But the empirical results (as reviewed below) on personal moral philosophies are somewhat mixed, while those on the effects of CAVE are quite robust. Forsyth, referring to a test of college students on the issue of cheating, reported that: “ These studies suggest that personal moral hilltop’s does not influence moral behavior in most settings” (1992, p. 466).

But Calling et al. Wrote that “ unethical corporations do not merely select and retain dishonest employees; they create them as well” (2004, p. 70).

The model proposes, therefore, that corporate ethical values are related directly to the ethical intentions of individuals within the organization, and that the relationship is moderated by the personal moral philosophies of those individuals. Corporate Ethical Values In their study that resulted in a scale to measure ethical values that employees perceive as operative in their corporations,

Because the scenarios we use for measurement describe selling situations, therefore, we propose the following first hypothesis: H1 Corporate ethical values have a positive influence on a manager's ethical intentions in selling situations. Personal Moral Philosophies Forsyth (1980) created a relatively parsimonious way to measure personal moral philosophies, by capturing differences on idealism and relativism in a test called the Ethics Position Questionnaire (PEPS). As recently pointed out by Octagon et al. 2009), these two dimensions of personal moral philosophies have received substantial attention in marketing-ethics literature. The basic theory comes from the philosophical dichotomy between moral thinking that concentrates on principles?? on the action itself?? and thinking that focuses on the consequences of particular actions.

They evaluate ethical values as appropriate only within the context of mainly cultural (cultural relativism) or individual (individual relativism) choices. Forsyth defines relativism as " the extent to which an individual rejects universal moral rules" when making ethical judgments (Forsyth 1980, p. 175), and it is captured on the PEPS through such items as ' What is ethical varies from one society to another," " Different types of moralities cannot be compared as to ' rightness" (Forsyth 1980; all items shown in Appendix 1).  
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Empirical research on the connection between a personal moral philosophy of relativism and various ethics variables quite consistently demonstrates a negative relationship. Sparks and Hunt (1998), found a negative relationship between relativism and ethical sensitivity. Vital and Paolo (2004) demonstrated the same relationship between relativism and the perceived role of ethics and social responsibility: “ those who reject the notion of universal moral absolutes are less likely to believe in the importance of ethics for the firm’s success” (2004, p. 192).

And quite a number of studies have explicitly tested the relationship between relativism and ethical intention, finding a negative relationship (e. G. , Mart et al. 2001 , 2003; Shanghaiing et al. 2000, 2008) to idealism and negatively to relativism “ irrespective of the country’ (p. 786). Again, cause our scenarios depict selling situations, we propose the following: H2O A manager’s moral philosophies influence ethical intentions in selling situations; specifically: 232 Ha A manager’s idealism has a positive influence on ethical intentions in selling situations.

Hob A manager’s relativism has a negative influence on ethical intentions in selling situations. Interaction Effects Between Corporate Ethical Values and Moral Philosophy Although the Hunt and Vital model of ethical decision making (1986, 1993) applets Uninominal-level variables (wanly would Include personal moral pointless) ND corporate factors at the same level, as background information conditioning whether an individual perceives ethical content in a specific situation, these relationships have not been tested definitively in the literature.

Shanghaing et al. (1999), for example, found that CAVE affected behavioral intentions indirectly, moderated by idealism and “perceived moral intensity of a particular scenario, which led to perception of an ethical problem and formation of a behavioral intention. Karaoke et al. (2002) tested models in which corporate ethical values, among other variables, influenced idealism and relativism.

To be clear, this research tests the effect of CAVE on ethical intentions, but is also interested in the moderating effects of personal moral philosophies, so the relevance of the Karaoke research is related to the postulation that the two do not “occur” at the same stage of the modeled behavior.

We hypothesize that the effect of corporate ethical values on ethical intention is moderated by a respondent’s personal moral philosophies: H<sub>A</sub> The positive effect of corporate ethical values on ethical intention in selling situations is moderated by personal moral philosophy; specifically: H<sub>a</sub> The positive effect of CAVE on ethical intention in selling situations is greater when the manager’s idealism is high. H<sub>b</sub> The positive effect of CAVE on ethical intention in selling situations is greater when the manager’s relativism is high.

**Data Collection and Sampling** The data collection instrument was a self-administered questionnaire, using scales previously developed in English. The questionnaire was professionally translated from English to Thai and to Turkish and then back-translated to English in order to assure the accuracy of the meanings of the questions. This process was facilitated by academic experts from the three countries, all part of the team of researchers, who

assessed concept and functional equivalence during the translation. For the American sample, a mailing list of U. S. Recantation members of the American Marketing Association (AMA) was used as a sampling frame, whereas for the Thai sample, businesspeople enrolled in executive MBA or special MBA programs of universities throughout Thailand were selected. The Turkish sample consists of full-time practitioner businesspeople currently enrolled in or graduated from executive or special MBA programs in Turkey. Table 1 shows the comparative sample characteristics of this study.

**American Sample** The total of 2, 000 practitioner members of the AMA (approximately 15% of total U. S. Membership) was the sampling frame.

Of the 1, 995 sets of questionnaires administered by mail, 453 persons responded with a response rate of 23%, which is comparable to those of previous marketing-ethics surveys that have also used the AMA mailing list as the sampling frame (e. G. , Hunt and Chon 1984; Shanghaiing and Vital 1994). Of the 453 returned questionnaires, 446 were usable. We also tested for potential moroseness bias using the extrapolation method suggested by Armstrong and Overtone (1977) and mound no statistical differences between the late and early respondents on any of variables used in this study.

**Thai Sample** The questionnaire was administered to managers enrolled in executive MBA or special MBA programs of universities throughout Thailand during regular class periods. A total of 605 usable questionnaires were received, mostly from the capital city Bangkok and its suburbs. I Ursula sample I nee quadrennials was millstream to ten Tulle-tell practitioner businesspeople enrolled in or graduated from executive or special MBA (e. G. <https://assignbuster.com/corporate-ethics-assignment/>

, electronic MBA) programs. The questionnaires were distributed during class periods or sent as e-mail messages.

A total of 416 usable Methodology In this section, we discuss the methodology of data collection and analysis. This study is positioned within a fairly new stream that assesses patterns across countries, rather than differences between them (following, e. G. , Sammie and Euthanasia's 1998; Octagon et al. 2001), so there are a number of methodological concerns. Specifically, we consider conceptual, sample, measurement, structural, and configurable variance questions in the following sections.