

# Culture's Role in Marketers' Ethical Decision Making: An Integrated Theoretical Framework

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## EXECUTIVE SUMMARY

In an increasingly multicultural marketing context, the question of the compatibility of ethical values across cultural borders has gained much in importance over the past decades. Given that more and more countries with rapid economic development are being integrated into world markets, culture needs to be understood as a multidimensional phenomenon that comprises more than just nationality. Today, marketers operating in the multicultural scene face two important questions: What is culture in the marketing context? And more importantly: What is the role of culture as a factor influencing individual ethical decision making? This article shall provide answers to both questions. In the first section, a multidimensional culture-concept is suggested. Drawing on theoretical concepts proposed in anthropology, psychology, and sociology, culture is described as a complex phenomenon rooted in the ideas and values shared by a group. Four distinct culture levels are distinguished: *political and economic forces* (supra level), *national identity* (macro level), *professional and industry norms* (meso level), and *organizational, family, or clan value systems* (micro level). While supra- and macroculture are defined as dimensions of the *wider cultural environment*, meso- and microculture are subsumed under the notion of *closer cultural environment*.

To clarify the role of culture in ethical decision-making among marketers, relevant models proposed in the literature are reviewed in the second section. Total models of ethical decision making in marketing are discussed, in particular those developed by Hunt and Vitell (1986; 1991), Ferrell and Gresham (1985), and Ferrell, Gresham, and Fraedrich (1989). The review of these earlier models and other contributions to marketing literature reveals that ethical decision making represents a fixed sequence of stages – comprising moral perception, reasoning (or evaluation), judgment, intention, behavior, behavioral evaluation – and includes the underlying constructs attitudes and values. While the earlier works focused on the cognitive dimensions and the cognition-behavior relationship, this research investigates the whole “affective-cognitive-behavioral” spectrum of ethical decision making and identifies the cultural factors influencing this process. It thereby takes a comprehensive, integrative approach: Besides *environmental factors* – which are central in this article and comprise the various cultural determinants of ethical decision making at the supra, the macro, the meso, and the micro level – concurrent *individual, situational, and issue-contingent factors* are also considered.

In the third section, the theoretical models presented and empirical evidence reported in the literature are synthesized, and an integrated framework describing the role of culture in the process of ethical decision making in marketing is developed. Based on this framework, it is suggested that the various cultural dimensions impact

distinct parts of the process: Influences of the wider cultural environment (economic system/development and nationality in particular) determine the stages in the affective part of the process, whereas factors in the closer cultural environment (particularly organizational culture) are more likely to have an impact on behavioral dimensions (notably intentions). Also, concurrent influences of other determinants are examined. Finally, hypotheses are deduced from the integrated framework and discussed referring to the marketing ethics literature.

This research contributes to *marketing ethics theory* in several ways. First, it revisits a broad body of marketing ethics literature and offers consistent terminology derived through a systematic analysis of the theory. Second (and most notably), it proposes an integrated framework complementing earlier works in the field. This framework explains the role of culture based on sound theoretical foundations and empirical evidence reported in the literature. Essentially, it shows that culture constitutes a complex determining factor, which affects distinct stages of the process. Thereby, culture concurs with other – individual and issue-contingent – determinants. This work also has significant *practical implications*. It indicates that culture, as a multidimensional phenomenon influencing ethical decisions, needs to be considered in marketing practice. The finding that the affective phases of the process are dominated by supra- and macrocultural values (which represent deeply-rooted convictions learned in early childhood) implies that these stages cannot be influenced easily. On the other hand, the insight that intended behavior depends on rules and sanctions conveyed by the immediate meso- and microcultural environment in day-to-day interactions indicates that (more superficial) professional norms and organizational culture are likely to affect *actual behavior* more than national and economic background. Although the framework proposed describes the “ideal type” of an ethical decision process, which may be more likely to apply to *highly involving ethical decisions* than to minor moral problems, it offers the advantage of being broadly applicable. Given that long-lasting marketing relationships and an exchange-orientation based on trust have become increasingly important in marketing, extending the proposed theoretical approach with a relational exchange perspective advanced in current marketing ethics literature seems a promising next step in theory development. Little is still known with respect to potential interactions between the closer and wider cultural environment. Also, more research on potential interactions between the various environmental forces and other determinants of ethical decision making is needed. In this regard, the proposed framework may serve as a basis for future research. Altogether, the integrated framework represents a further exigent endeavor to deepen the understanding of *culture's role in marketers' ethical decision making*.

Keywords: Marketing Ethics, Culture, Ethical Decision Making, Theory, Framework

## **Culture's Role in Marketers' Ethical Decision Making: An Integrated Theoretical Framework**

In the past decades, an increasing amount of attention has been devoted to ethics in business in general and marketing in particular (Malhotra and Miller 1998:263). Marketing managers have become ethically more sensitive, and they are largely convinced that customers and the public expect them to act in a morally acceptable way. Most marketers express their moral commitment as well as the conviction that ethical conduct is mandatory to establish trust (Srnka 1997:96ff.). This is consistent with general marketing theory, which holds that all exchanges are based on trust (Kotler 2003:8f), and that conflicts are likely to result if buyer and seller are not in agreement with respect to their ethical mindsets (Lee 1981:58). Where conflicts exist, trust will not grow. Without trust, in turn, the exchange process ceases and marketing relationships cannot develop (Morgan and Hunt 1994:32). Compatibility of ethical values held by the exchange partners is thus a central prerequisite for trust and persistent relationships (Ahmed, Chung, and Eichenseher 2003:89; Ferrell, Gresham, and Fraedrich 1989:55; Schlegelmilch 1998:11ff; Schlegelmilch and Goetze 1999:27). Given fierce competition and rising costs of customer acquisition, enduring relationships based on mutual trust have become more important than ever before. Consequently, the relevance of ethics in marketing has surged over the last three decades.

Even more attention has recently been paid to ethical issues in the multicultural marketing context. Essentially, the cross-cultural perspective of value-compatibility has become important over the past years (Bergemann and Sourrisseaux 1996:1). Often enough, decision makers within their own cultural boundaries do not know which is the most ethical alternative. The problem of choosing an ethical option is even exacerbated, when the decision maker is confronted with differing cultural values and ethical expectations (Ahmed, Chung, and Eichenseher 2003:89). Today, marketers are increasingly faced with exchange partners from cultures different from their own background (not only with respect to nationality but also regarding political and particularly economic aspects, such as industrialization, standard of living, etc.). In view of the continuing integration into world markets of countries with rapid economic development – particularly in Asia and Eastern Europe – the need to consider cultural aspects in marketing ethics as well as the demand for a conception of culture that embraces more than simply the “nationality” dimension have significantly increased.

The assumption that cultural norms and values influence individual decision making is soundly based in the marketing literature (e.g., Engel and Blackwell 1982). It is more or less consistently acknowledged that different cultures produce different expectations, which become expressed in distinct ethical norms. These, in turn, influence decision making and may result in dissimilar behaviors (Ferrell and Gresham 1985:89). However, a comprehensive understanding of culture, values, and social norms as moderators of ethical decision making seems still to be missing. There does not even exist a generally accepted terminology of culture or a consistent conception of the process of ethical decision making in the marketing ethics literature (Dubinsky and Loken 1989:103). The lack of a comprehensive theoretical framework on culture's role in marketers' ethical decision making has inhibited the systematic development of a research agenda (Trevino, 1986:601) and resulted in empirical research that simply documents the existence of different ethical judgments among various populations but does not investigate their causes (Hunt and Vitell 1986:768). A well-developed theoretical model explaining how various cultural factors impact ethical decisions in the marketing context should provide a richer understanding and better guidance for empirical research in marketing ethics (Hunt and Vitell 1991:780; Ferrell, Gresham, and Fraedrich 1989:56; Bommer et al. 1987:265).

To describe culture's complex impact on moral behavior in the marketing context, culture in its various dimensions needs to be defined first. In the marketing ethics literature, various authors have conceived culture differently. So far, no single consistent and integrated definition of culture has been proposed. Mostly, the concept refers to nationality only (for a review see Srnka 2000). Further, the process of moral decision making has to be understood. Models of ethical decision making offer valuable insights into this process (Ferrell, Gresham, and Fraedrich 1998:57). By reviewing these models, the stages of moral decision making can be identified, and conclusions concerning cultural influences on the various stages can be drawn. Consideration of more recent

theoretical as well as empirical evidence should thereby provide a richer understanding of cultural influences on the various stages of this process. Finally, pulling all this information together into a synthesized framework would allow a comprehensive view of culture's role in marketers' ethical decision making – a challenging task that this research aims to accomplish. In the following sections, the concept of culture will be discussed and extant research on the process of ethical decision making and its determinants will be reviewed. In the next step, these models will be synthesized, integrated with the multidimensional concept of culture, and supported by empirical evidence found in marketing ethics literature. Finally, the contribution, limitations, and implications of this integrative perspective will be discussed.

## WHAT IS CULTURE IN THE MARKETING CONTEXT?

In the marketing literature, culture is often defined as “the set of important assumptions (often unstated) that members of a community share in common” (Sathe 1985:2, cf. Singhapakdi and Vitell 1991:38). This definition, although correct, seems too broad and unspecific for the purpose studied. Therefore, other definitions of culture will subsequently be considered and a more specific one will be suggested.

### Defining Culture

Originally, the term “culture” is derived from Latin *cultura*, which stems from the verb *colere* and means “tending” or “maintaining”. Today, definitions of culture are multiple and diverse. In an attempt to give a structured overview and to find an all-inclusive definition of culture, Kroeber and Kluckhohn (1967) composed a compendium of definitions for the term. Altogether, the authors found 164 different descriptions, which they classified into seven categories. These categories are not mutually exclusive definitions but rather reflect different aspects of the diffuse concept of “culture”. Accordingly, culture is characterized by the following aspects: It ... (1) *contains several components* (enumerative-descriptive aspect); (2) *refers to social heritage and traditions* (historical aspect); (3) *comprises ideals and expected behaviors* (normative aspect); (4) *is based on adaptation to environmental conditions, learning and behavior* (psychological aspect); (5) *regulates human social life* (structural definitions); and (6) *is reflected in ideas, symbols, and artifacts* (result-based aspect). The last category (7) [“incomplete definitions”] contains definitions referring to *parts of definitions falling into one of the prior classes*. As a conclusion of their extensive analysis, Kroeber and Kluckhohn (1967:357) – based on these various categories of concept descriptions – suggest the following, comprehensive definition: “*Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols constituting the distinctive achievement of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action.*” This is consistent with Malinowski's (1988:74) more concise definition of culture as “*the sum of goods, of rights and duties, of ideas, beliefs, capabilities, and customs.*” Culture, as these definitions suggest, represents a system of tangible components (comprising physical elements such as clothing, tools, paintings, buildings, etc.), as well as an intangible (mental) apparatus. The basis of all human artifacts, behaviors, and beliefs is the group's specific value system. Values as “conceptions of the desirable” represent the core of any culture (Rokeach 1973:8; Kroeber 1952:128). They comprise psychological, spiritual, and moral phenomena (Trompenaars 1994:3; Kroeber and Kluckhohn 1967:11f; Menghin 1931:614).

Given that this article focuses on moral phenomena, it refers to *the intangible aspects of culture* only, which comprise *the fundamental values shared by specific groups*. The complex system of collective values supplements the individual and the universal mental programming of humans (Hofstede 1980:26; see Figure 1).<sup>1</sup>

<sup>1</sup> Hofstede (1980:14ff.) distinguishes these *three levels of mental programming*: individual, collective, and universal. The *individual level* represents an individual's personality that is unique. Contrarily, both collective and universal mental programs are shared with others. Whereas the *collective level* represents a group's *culture* (based on specific values), the *universal level* is the programming necessary to survive and therefore shared by all human beings. Huntington (1996:56) correspondingly holds that people in all societies at all times share some fundamental values that ensure survival.

### Culture Levels

In the sense of *collective mental programming*, the term “culture” is primarily applied to national groups.<sup>2</sup> Yet, it represents a complex phenomenon, which cannot be reduced to national identity only (Triandis 1994:115; Hentze and Lindert 1992:71; Schlegelmilch 1989:44; Snarey 1985:228). Although national collectivities are in the foreground, several other cultural influences exist, which also shape people's preferences and behaviors (Donaldson and Dunfee 1994:274; Kluckhohn and Strodtbeck 1961:10). An integrated view of these diverse cultural influences is a prerequisite for a comprehensive understanding of the concept (Vásquez-Parraga and Kara 1995:67; Ronen and Shenkar 1985:447; Whipple and Swords 1992:677). Cultural determinants of human behavior comprise a multiplicity of different, partly overlapping, collective human programs (Kamal 1996:155f; Harris 1951:323). People define themselves through various categories, including origin, history, religion, language, etc. (Huntington 1996:21). In the business and marketing context in particular, a great number of other cultural dimensions, such as organizational or professional culture become relevant (Schein 1984). Other sub-cultural influences in the closer social environment referred to in the literature are: family and – particularly in Eastern countries – clan. Finally, differences in the political system and economic development have been proposed as relevant cultural factors in the literature (Ronen and Shenkar 1985:447).

At a closer look, the various cultural conceptions (history, religion or language as well as organizational, professional, or other subcultures) can be regarded as different levels of the same basic concept. Several authors explicitly refer to distinctive levels of culture: Trompenaars (1994:7), for instance, distinguishes three such levels: On the “macro” level he locates the national culture defined by geographic boundaries, whereas on the “micro” level he refers to the organizational culture. Between those two layers, according to the author, the professional and the industry culture can be found. Several authors specify these and other *cultures-within-the-(national) culture* on the “meso” level relevant in marketing or business in general (e.g., Hofstede 1980:26; Ronen and Shenkar 1985:447; Burns, Fawcett, and Lanasa 1994:669; Abramson, Keating, and Lane 1996:130; Carroll and Gannon 1997:98f.). Finally, it has also been acknowledged, that some nations share similarities on a superior level (which may be, e.g., the economic system, stage of economic development, ethnicity or religion). Consequently, a fourth cultural dimension above the national culture can be identified, which represents the “supra” level. This highest level of culture comprises nationalities sharing political system, ethnic roots, religious values, economic standards, etc. (Hentze and Lindert 1992:15). Huntington (1996:21ff.) denotes groups of people from different nations sharing such similarities as “civilizations”. Referring to the marketing context, the four levels of culture treated in the literature can be described as follows:

- *supraculture* shared by nations with similar economic systems and development, ethnicity, religion, etc.
- *macroculture* shared by people of the same nationality, origin or country of residence
- *mesoculture* shared by groups or communities, e.g., a professional group or industry, within a macroculture
- *microculture* shared by smallest social collectivities, e.g., the organization, family or clan

These culture levels cannot be considered isolated from each other; they are intertwined and influence each other. Therefore, national culture cannot be understood independently from the economic system, stage of economic development, religion, etc. Nationality, in turn, influences industry and professional values, as well as organizational cultures and family or clan traditions (Hofstede 1992:319; Carroll and Gannon 1997:95). (Dashed lines in Figure 1 visualize the permeance between the various levels.)

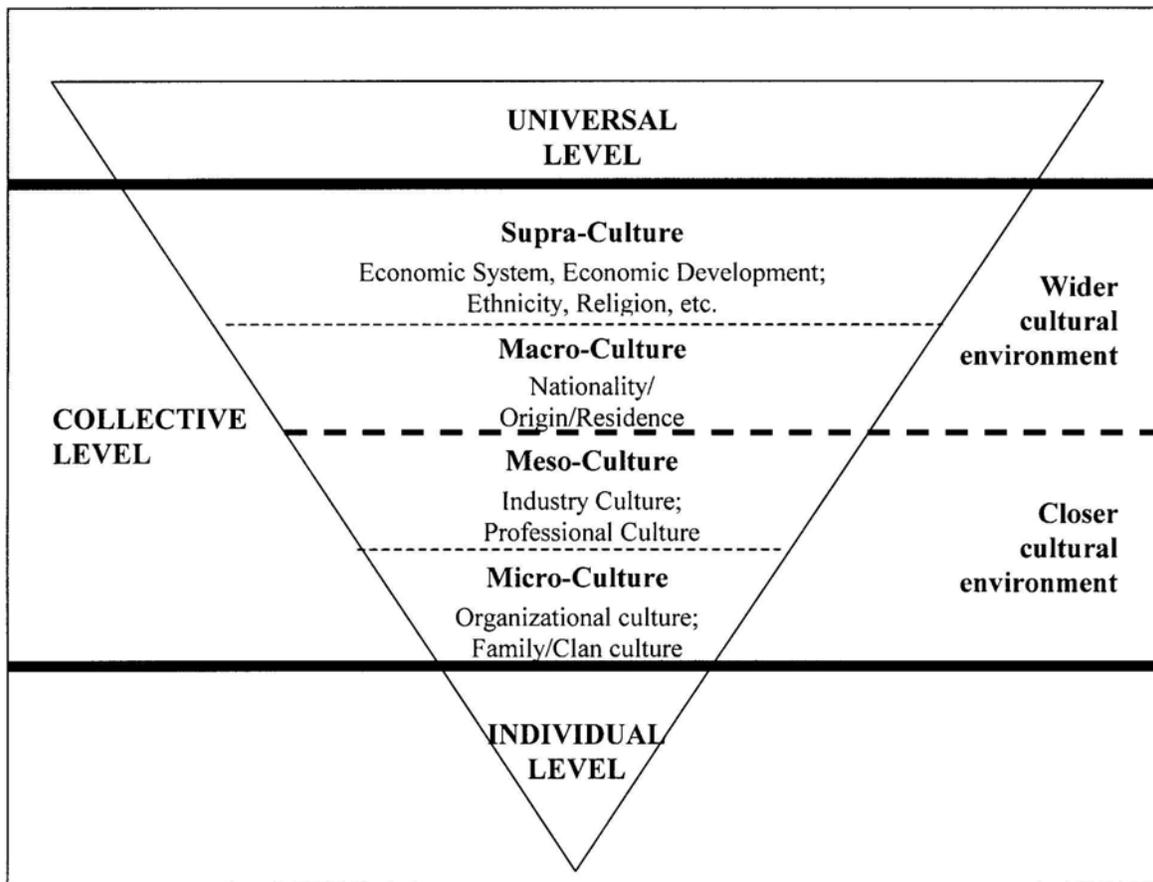
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<sup>2</sup> In the literature, often no distinction is made in this context between *nationality* and *country*. This is unproblematic as long as nation and country overlap and are clearly defined by regional boundaries. This is, however, not always the case. Different nationalities may coexist within the geographic boundaries of one single country (e.g., former Yugoslavia). Consequently, the term “*national culture*” (or “nationality”) can be regarded as being more precise. It is therefore preferred here.

**Wider and Closer Cultural Environment**

While supra- and macrocultural factors represent the *wider cultural environment*, meso- and microcultural forces constitute the *closer cultural environment* (see Figure 1). This distinction is significant because the two cultural environments differ in the way in which values are learned, as well as in value endurance and their impact on behavior. The acquisition of values from the wider cultural environment takes place through socialization in *early childhood* (by family and school), and is “updated” later via mass media. Groups in the closer environment (particularly peers), on the other hand, exert social influence in *day-to-day interactions*. Continuing adult development has particularly been linked to educational and work experiences (Trevino 1986:606f). It occurs by virtue of norms, role models, and sanctions (Stead, Worrell, and Stead 1990:234; Minsel and Bartussek 1977:444; Bronfenbrenner 1976; Briem 1975). Differential association theory (Sutherland and Cressey 1970) assumes that (un)ethical behavior is learned in the process of interacting with intimate personal groups or role sets (Ferrell and Gresham 1985:90). Although cultural values learned in early childhood have been found to be most stable, the closer environment can be expected to have more influence on individuals’ actual behavior due to continuous contact and social influence in everyday life (Kroeber-Riel and Weinberg 1999:430).

**FIGURE 1**  
**Levels of Culture: A Marketing Perspective**



An important approach that complements the social learning theory perspective presented above is the theory of cognitive moral development. Drawing on Jean Piaget’s development theory (1965), Kohlberg (1969) proposed that a person’s capabilities of *ethical evaluation*, which become manifest in his or her form of *moral reasoning*, develop over time. He contends that individual *cognitive moral development* (CMD) can be characterized as the progression through a maximum of six stages, in each of which moral reasoning becomes cognitively more

complex.<sup>3</sup> Research in marketing ethics (e.g., Trevino 1986) has identified the importance of CMD, and suggested that the theory should be helpful in understanding individual moral decision making in a business context (Fraedrich, Thorne, and Ferrell 1994:829). CMD theory has been included in positive models of ethical decision making (see below), and has also been used in empirical research. Although critique to this concept exists (e.g., Snarey 1985)<sup>4</sup>, extensive longitudinal, cross-cultural, and cross-sectional research supports the sequence hypothesized by Kohlberg and demonstrates its generalizability across many cultures and populations (Goolsby and Hunt 1992:56).

## WHAT IS THE ROLE OF CULTURE AS A FACTOR INFLUENCING MARKETERS' ETHICAL DECISION MAKING?

A fundamental premise to study the role of culture as a determinant of marketers' ethical decision making is an understanding of the process of ethical decision making itself and its diverse determinants. Such an understanding might be attained through a review of theoretical models of ethical decision making in marketing. In this section, relevant models suggested in the literature will be presented, in order to elaborate a basis for the succeeding, comprehensive investigation of culture as a multidimensional phenomenon influencing ethical decision making.

### **A Synopsis of Theoretical Models for Ethical Decision Making in Marketing**

In marketing ethics literature, a remarkable number of models can be found, which aim at explaining the process of attaining and executing a solution in ethically problematic exchange situations. Some of these models have been advanced and received enthusiastically, but none of them has been pronounced as definitive (Malhotra and Miller 1998:266). The various descriptive models can be classified into: (a) total and partial models, (b) models referring to individual or organizational decision making, and (c) models explaining ethical decisions in general business situations or in specific marketing contexts. For the purpose of this investigation, *total models* (i.e., models describing the whole process of ethical decision making) seem most appropriate. Given the focus of this research (cultural influences on marketers' ethical decision making) total models referring to *individual decision making in the marketing context* are considered to be of capital importance.<sup>5</sup>

*Total models describing marketers' individual decision making proposed in the literature* – Three models that have been acknowledged to provide best guidance in studying *ethical decision making of individuals in marketing* will subsequently be presented. These models constitute the most complete approaches proposed in the literature: *A General Theory of Marketing Ethics* developed by Hunt and Vitell (1986) and later extended by the authors (1991); *A Contingency Framework for Understanding Ethical Decision Making in Marketing* described by Ferrell and Gresham (1985); and *A Synthesis of Ethical Decision Models for Marketing* proposed by Ferrell, Gresham, and Fraedrich (1989).

*Hunt and Vitell (1986)* developed the first total model explaining individual decisions concerning ethical issues in marketing. According to this model, *perception of an ethical problem situation* triggers the decision making

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<sup>3</sup> The six stages can be classified into three levels of development: pre-conventional, conventional, and post-conventional level. At the *pre-conventional level* (stages 1 and 2), moral decisions are formulated on the basis of simple, immediate consequences (rewards or punishments) to the individual. Reasoning at the *conventional level* (stages 3 and 4) emphasizes adhering to rules and norms established by the group (society). At the *post-conventional level* (stages 5 and 6), moral judgment criteria transcend the individual as well as the authority of the group (society) and refer to universal principles (Kohlberg, 1969). For a comprehensive discussion of "Cognitive Moral Development and Marketing" see also Goolsby and Hunt (1992).

<sup>4</sup> Snarey (1985) identified strong *biases of the concept* in favor of *complex urban societies* and *middle-class populations*.

<sup>5</sup> Not considered in the following discussion will therefore be *partial models* (e.g., Alderson, 1965; Bartels, 1967; Clasen, 1967; Trevino, 1986; Bommer et al., 1987; Dubinsky and Loken, 1989; Brass, Butterfield, and Skaggs, 1998), as well as *models describing decision making in organizations or business in general, i.e. not focusing on the particular marketing context* (e.g., Bommer et al., 1987; Stead, Worrell and Stead, 1990; Jones, 1991).

process, and the decision maker identifies *alternatives* qualified to resolve the ethical problem as well as the *consequences* of these actions. In the next stage, *evaluation* takes place. Hereby, the individual refers, on the one hand, to higher moral obligations or duties (called *deontological norms*) to arrive at a *deontological evaluation*<sup>6</sup>. On the other hand, he or she takes into consideration the *probability of consequences for stakeholders*, the *desirability of these consequences*, and the *importance of the stakeholders affected*, which leads to a *teleological evaluation*<sup>7</sup>. Next comes, what Hunt and Vitell (1986) call the “*heart of the model*”. These stages postulate that *ethical judgment* is a function of both deontological and teleological evaluations. They further claim that the ethical judgment impacts behavior through an intervening variable, *intention* (conceptualized as the likelihood that any particular alternative will be chosen). Since, however, according to the Hunt and Vitell theory, intentions are also affected by teleological evaluations, they may differ from ethical judgments. This means that an individual may perceive a particular alternative as being the most ethical one and, nevertheless, intend to choose another alternative because of certain preferred consequences (Hunt and Vitell 1986:764). Intentions predict *behavior*.<sup>8</sup> An *evaluation of the consequences* finally follows actual behavior. The result of this behavioral evaluation feeds back into the process through *personal experiences*, representing the major learning construct in the model. In the *revised version* by Hunt and Vitell (1991), the stages of the decision making are unchanged; however, various factors influencing the process have been adjusted.

At the center of the model proposed by *Ferrell and Gresham (1985)*, we find a construct denoted as “individual decision making”. This cumulative construct implicitly includes *moral evaluation* and *moral judgment*. It thus corresponds to the “heart” of the ethical decision process defined by Hunt and Vitell (1986; 1991). Further, the model comprises the stages *behavior* as well as *evaluation of behavior*. Other relevant decision components considered in this framework, but not systematically integrated in the process, are: “knowledge”, “values”, “attitudes”, and “intentions”. Ferrell and Gresham (1985:92) conceded that their framework – at this stage of development – was in no way all-inclusive. Rather, it represented the initial step toward understanding ethical decision making and its determinants in marketing. Accordingly, *Ferrell, Gresham, and Fraedrich (1989)* synthesized the Ferrell and Gresham model with the first version of the Hunt and Vitell model and complemented these earlier approaches with further theoretical foundations. In particular, they included Kohlberg's (1969) “Theory of Cognitive Moral Development” (see section I) and the “Person-Situation Interactionist Model” developed by Trevino (1986) (see below). The resulting model (depicted in Figure 2) describes the process of ethical decision making as well as various internal and external factors influencing this process in a more comprehensive way than the earlier works.

While Hunt and Vitell's focus was on the *decision process itself* (their major contribution persists in the explication of the individual's decision making process by breaking it down into two basic ethical perspectives borrowed from moral philosophy: the rules-based or deontological and the consequences-based or teleological evaluations), Ferrell and Gresham (1985) contributed by illuminating the *determinants rather than the process*. Their principal merit was that they accounted for many of the constructs influencing individuals in making an ethical decision: individual factors, opportunity, and significant others (Vitell 1999:xxff.). Ferrell, Gresham, and Fraedrich (1989) finally integrated both approaches.

*An Interactionist and Relational Exchange Perspective on Ethical Decision Making* – More recently, various authors have extended the “process and determinants”-perspective of the models presented above by addressing the interaction between individual and situational factors or the relationship between the partners involved. Trevino (1986) points out that ethical decision making in organizations is explained by the interaction of individual variables and factors of the specific situation. In her “Person-Situation Interactionist Model”, which emphasizes the cognition-behavior relationship (with a strong focus on moral reasoning and the individual's CMD

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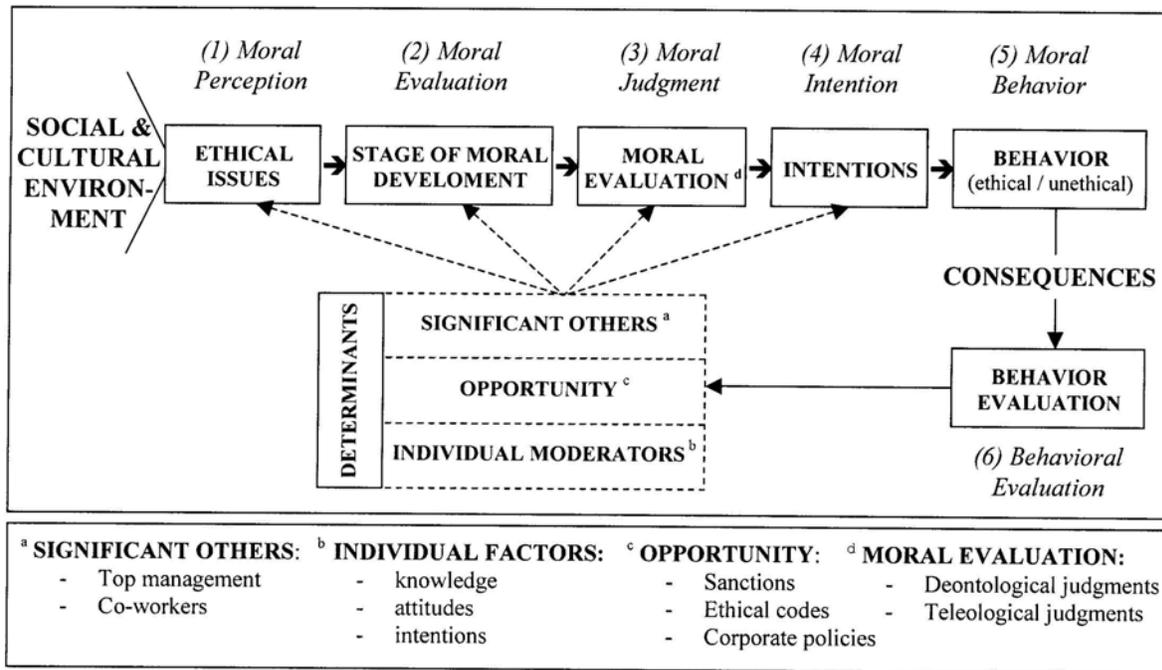
<sup>6</sup> *Deontological evaluation*: Applying relevant norms of behavior to perceived alternatives.

<sup>7</sup> *Teleological evaluation*: Comparing of the total of “good” versus “bad” likely to result from the alternatives identified.

<sup>8</sup> If inconsistency of intentions or behavior with ethical judgments occur, this is – according to the model (p. 763) – likely to result in feelings of *guilt*.

stage in particular), she suggests that “individual variables” (ego strength, field dependence, and locus of control), the “broader organizational culture”, “characteristics of the work”, as well as the “immediate job context” moderate the relationship between moral cognitions and behavior. Pelton, Chowdhury, and Vitell (1999) in their “Framework for the Examination of Relational Ethics” also adopt an interactionist perspective. Their model augments the earlier approaches by recommending a dyadic perspective in the investigation of issues related to ethics, especially in the context of the relationship between channel members. Brass, Butterfield, and Skaggs (1998) argue that dyadic interactions seldom occur in isolation, but almost always involve other parties. Thus, the authors propose “A Social Network Perspective” exploring how relations among the various individuals involved can affect unethical behavior in organizations. According to their model, the type and structure of relationships moderate the influence of organizational, individual, and issue-related factors on unethical behavior.

**FIGURE 2**  
**A Contingency Model of Ethical Decision Making in Marketing**  
 by Ferrell, Gresham, and Fraedrich (1989)



Note: Italics will be explained later

Brass et al (1998) as well as the other authors (Trevino, 1986; Pelton, Chowdhury, and Vitell, 1999) do not consider their approaches as alternative but propose them as perspectives to be combined with the previous models. They hold that, in fact, there are many aspects of unethical behavior that the interactionist or relational models alone cannot explain. These models focus on interactions between determinants and relationships among actors rather than the individual actor's decision-making process. They relinquish the presumption of temporal sequentiality necessary to study the influence of different determinants at the various stages of marketers' ethical decision making. Most significant for this research is that the interactionist models that have been proposed so far exclude most of the cultural influences. Still, the interactionist and relational exchange perspective constitute an important complement to the monadic view of the earlier models. Before, however, extending the view to the exchange partner(s), it seems important to better understand culture's role in marketers' ethical decision making.

**Culture and other Determinants of Ethical Decision Making in Marketing**

The three total models of ethical decision making in marketing presented above show that internal and external factors influence marketers' ethical decision processes. *Internal factors* comprise the individual's ethical

predispositions (stage of CMD, strength of moral character, ethical sensitivity, etc.), whereas *external factors* represent situational and environmental aspects. This is congruent with the general categorization proposed in the literature (e.g., Goolsby and Hunt 1992; Singhapakdi and Vitell 1990:5) that distinguishes individual, situational, and environmental determinants of ethical decision making. The latter include the closer organizational culture as well as the wider cultural environment. The focus of this article is on these *cultural forces*. An integrated framework shall be developed that sets forth the role of culture as a determinant in ethical decision making. In such a framework, the various other determinants, which might concurrently influence the ethical decision, must not be ignored. A structured overview of the various influencing factors shall thus be given here.

*Individual factors* have been included in all three models. Yet, only in the most recent approach (Hunt and Vitell 1991), did the authors *specify* some of these determinants of moral behavior (i.e., personal values and belief system, religiosity, strength of moral character, ethical sensitivity, and stage of cognitive moral development). Among these, the "CMD" stage represents a central factor determining an individual's process of deciding what is right or wrong (e.g., Trevino 1986:602). Individual factors can, according to Kay-Enders (1996:116), generally be divided into *demographics* (e.g., gender, age, income, years of formal education, experience, position in organizational hierarchy) and *personality* (motivations, knowledge, etc.). Referring to this classification, the factors described by Hunt and Vitell (1991) represent predominantly personality traits. Trevino (1986), as already indicated above, proposed several other personality variables relevant in the context of ethical decision making: "ego strength" (the extent to which an individual resists impulses and follows personal convictions), as well as "field dependence (the tendency to use external social referents to guide behavior), and "locus of control" (the degree to which an individual exerts control over the events in life). Bommer et al. (1987) mention "experience" as a relevant personality trait, and also discuss various demographic characteristics influencing ethical decision making. Other variables that have been classified as "personal characteristic" or "individual factors" in the literature, such as *values* (e.g., Hunt and Vitell 1991), *attitudes* and *intentions* (e.g., Ferrell and Gresham 1985; Ferrell, Gresham, and Fraedrich 1989), according to general models of decision making (Kirsch 1977; Engel, Blackwell, and Miniard 1993:364) constitute underlying elements of decision making rather than determinants (see also: footnote 17).

*Situational influences* have been discussed by some authors who argue that ethical decisions are made within a specific situational context (Mayo and Marks 1990:169; Singhapakdi, Vitell, and Kraft 1996:245; Robin 1999:xvii). Hunt and Vitell (1986), for instance, hold that the "opportunity to engage in potentially unethical behavior" represents a major situational constraint for morality. In their revised model (1991:780), they modify this determinant to "action control" (the extent to which a person controls the enactment of an intention in a particular situation).<sup>9</sup> While Malhotra and Miller (1998, p. 276) point to the relevance of "situational factors" without specifying them, Bartels (1967:23) explicitly names "role expectations" as a significant situational determinant. Trevino (1986:603) refers to situational moderators in the immediate job context (such as reinforcement and other pressures), which contribute to advancement in cognitive moral development and, thereby, influence ethical decision making.

*Environmental factors* constitute the third group of determinants treated in the literature,<sup>10</sup> and represent the most relevant factor in the context of this research. Referring to general marketing theory (e.g., Kotler 2003:158f), they can be conceived as socio-cultural circumstances under which decisions are made (Singhapakdi and Vitell 1990:5). In the models presented, a multitude of such influences on marketers' ethical decision making (family, social groups, educational system, management, peers, codes of ethics/corporate policy, code/policy enforcement, etc.) have been described. These and further environmental influences have also been proposed by other authors

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<sup>9</sup> *Action control* defined by Hunt and Vitell (1991) differs from *locus of control* suggested by Trevino (1986). Whereas the latter is defined as *personal characteristic*, "action control" represents a *situational variable* and refers to a *specific situation*.

<sup>10</sup> In the literature (e.g., Trevino, 1986:602; Ford and Richardson, 1994:206) *environmental factors* are sometimes classified as *situational*. Yet, environmental determinants differ from situational influences in that they *persist in consecutive decisions*.

(e.g., Bommer et al. 1987). The various environmental factors identified in the literature basically correspond to the distinct *cultural forces* suggested above and can be systematically classified according to the four levels of culture introduced earlier in this article.

**TABLE 1**  
**Environmental Factors Influencing the Ethical Decision Making Process**

ENVIRONMENTAL FACTORS (CULTURE)	
<b>WIDER ENVIRONMENT</b>	
<b>Supraculture</b>	
▪ Religion	Hunt and Vitell (1991); Bommer et al. (1987)
▪ Economic System	Ronen and Shenkar (1985)
<b>Macroculture</b>	
▪ Nationality	Hunt and Vitell (1986; 1991);
▪ Country (of Origin/Residence)	Ferrell and Gresham (1985); Malhotra and Miller (1998); Bartels (1967)
<b>CLOSER ENVIRONMENT</b>	
<b>Mesoculture</b>	
▪ Industry	Hunt and Vitell (1991); Malhotra and Miller (1998)
▪ Profession	Hunt and Vitell (1991)
<b>Microculture</b>	
▪ Relevant Others (Peers/Management and Family)	Ferrell and Gresham (1985); Ferrell, Gresham, and Fraedrich (1989); Hunt and Vitell (1986; 1991) Bartels (1967); Bommer et al. (1987)
▪ Organizational Culture Formal and Informal Rules	Ferrell and Gresham (1985); Ferrell, Gresham, and Fraedrich (1989); Hunt and Vitell (1991);
▪ Ethics Codes and Code Enforcement	Malhotra and Miller (1998); Bommer et al. (1987)

The *closer cultural environment* comprises microcultural factors (particularly formal and informal organizational rules/norms; rule/norm enforcement, as well as significant others) and mesocultural factors (i.e., professional and industry environment). Ferrell and Gresham (1985), Ferrell, Gresham, and Fraedrich (1989), and Hunt and Vitell (1991) describe various “microcultural determinants” in the organizational environment. These, essentially, comprise formal and informal norms and their enforcement as well as significant others (i.e., peers and management). Additionally, it seems reasonable to consider family and (in Eastern cultures in particular) clan as important sources of influence with regard to ethical decisions. Norms – both formal and informal – may be enforced by rewards or punishments (in compensation and emotional categories). Further, Hunt and Vitell (1991) also refer to professional and industry environment – two important “mesocultural factors” – as determinants of marketers’ ethical decision making. Again, formal as well as informal norms and their enforcement are specified as relevant moderators. The *wider cultural environment*, on the other hand, comprises macrocultural factors (particularly nationality, country of origin and/or country of residence) and supracultural factors (which so far have not been explicitly mentioned in the literature). National culture, which represents the core “macrocultural dimension”, is mostly defined by nationality, country of origin and/or country of residence. Whereas Ferrell and Gresham (1985) and Ferrell, Gresham, and Fraedrich (1989) only very generally refer to the social and cultural environment, Hunt and Vitell (1991) treat the legal and political system – a significant component of any nation – as a relevant determinant in their model of marketers’ ethical decisions. “Supracultural factors” have not been explicitly mentioned in the models reviewed. However, Hunt and Vitell (1991) as well as Bommer et al. (1987) specify religion as a determinant of ethical decisions, which – according to the above classifications – can be categorized as a supracultural dimension. Other supracultural determinants such as economic system or development (suggested, e.g., by Ronen and Shenkar 1985) were not contained in the models.

Finally, a fourth group of factors determining ethical decision making is discussed, which was not considered in the earlier models, but shall be added in this new comprehensive, integrative approach, namely: *issue-contingent*

*factors*. Originally proposed by Jones (1991), issue-contingent factors comprise the magnitude of consequences a certain behavior causes and social consensus on its moral quality. Further they relate to the probability, temporal immediacy, and proximity of effect on the decision maker, as well as the concentration of effect on one or few parties. Together, these dimensions determine "the extent of issue-related moral imperative" which is also called "moral intensity" of a situation (Jones 1991:372). Robin, Reidenbach, and Forrest (1996) use a similar construct which they denote as "perceived importance" of an issue. If the moral intensity of a problem is perceived as weak, individuals will not view it as having an ethical component; if a situation's moral intensity is strong it will be regarded as ethically problematic (Singhapakdi, Vitell, and Franke 1999:19). According to Jones (1991), the moral intensity influences each of the stages of ethical decision making from the recognition of a moral issue to engaging in a particular moral behavior.<sup>11</sup>

The main focus of this research is to identify the role culture plays in the process of ethical decision making in marketing. So far, it has been shown that extant theoretical models describing the ethical decision process among marketers identify diverse factors influencing this process. Among these factors, the four cultural dimensions defined in section I represent significant determinants of decisions in ethically problematic marketing situations. The earlier models also suggest that these cultural forces are likely to concur with the other influencing factors. Subsequently, the theoretical contributions discussed so far shall be synthesized and complemented by empirical evidence found in the literature. The resulting integrated framework shall add to a more comprehensive understanding of culture's role in marketers' ethical decision making. Essentially, it shall clarify the influence of the four culture levels identified on the various stages of the process and identify potential concurrent influences of the wider and closer cultural environment and other determinants.

### **THE SYNTHESIS: AN INTEGRATED FRAMEWORK DESCRIBING THE ROLE OF CULTURE AS MULTIDIMENSIONAL DETERMINANT IN THE PROCESS ETHICAL DECISION MAKING**

In marketing ethics literature (e.g., Ferrell, Gresham, and Fraedrich 1989:56f; Bommer et al. 1987:265), claims have been made that an integrated framework of ethical decision making is still needed. Such a framework would be particularly helpful in clarifying the impact of the various cultural influences as well as the potential concurrence of these and other determinants. LaFleur et al. (1996:67, 74) argue: "[I]ndividuals use rules derived from a variety of sources ... from the family, from religion, from the norms of various levels in the cultural hierarchy ... to assist in the judgment process. Whether these rules precede the judgment [note: as has been suggested by Hunt and Vitell 1986; 1991] or moderate it [note: as stated by Ferrell, Gresham 1985, or Ferrell, Gresham, and Hunt 1989] remains unresolved." Consequently, the question whether the various internal and external influences – essentially those emanating from the wider and closer cultural environment – come into play at distinct stages of the decision making process, is an important issue for further research. Providing a conclusive answer to this question is a contribution still to be made. The Ferrell and Gresham as well as the Ferrell, Gresham, and Fraedrich models implicitly suggest variations. In both models, the "socio-cultural environment" stimulates moral perception, whereas "organizational factors" (significant others, corporate policies, and sanctions) and "individual factors" come into play later in the decision making process. Similarly, Jones (1991:391) holds that "organizational factors" are likely to be paramount in the behavioral part of the process (moral intention and moral behavior). However, this issue has not yet been systematically investigated, and shall therefore be addressed here. Essentially, this section investigates the relevance of the four cultural levels identified earlier in this article with regard to the individual stages of marketers' ethical decision-making processes.

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<sup>11</sup> *Issue-contingent factors*, as environmental factors (see endnote 10), are sometimes classified as *situational*. Focusing primarily on the consequences of a certain behavior, they may though be interpreted as a distinct group of determinants.

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### The Process of Ethical Decision Making

The review of the three most prominent models of ethical decision making in marketing already suggested what a closer look unfolds more conspicuously: Ethical decision making represents a fixed sequence of stages and cultural forces represent one of the diverse factors influencing its various stages.

*The stages of ethical decision making* – LaFleur et al. (1996:66) point out that each of the models includes a *four-stage core* similar to Rest's (1986) "Four-Component Model", which – according to Jones (1991:379) – is "a worthy starting point" for any model of ethical decision making. An individual first perceives a problematic issue and – by means of moral reasoning (Kohlberg 1968; 1969) – elaborates a judgment. The decision maker then forms an intention and, finally, engages in a certain behavior. Complemented by a behavioral evaluation stage, this sequence reflects the fundamental decision process proposed in marketing and other fields (see Goodpaster 1983:11; Bommer et al 1987:274; Epstein 1987:107f; Ferrell, Gresham, and Fraedrich 1989:61f; Harris and Sutton 1995:806): (moral) perception, reasoning (or: evaluation)<sup>12</sup>, judgment, intention, behavior, and behavioral evaluation.<sup>13</sup>

According to Jones (1991:380), any human decision making process – moral decisions being no exception – is activated by the presence of a problem that requires a solution and some form of action. Although the problem recognition stage, which "triggers" any decision process (Kirsch 1977), has not received much attention so far (Bruner and Pomazal 1988), there is agreement in the literature that ethical decision making is initiated by (1) *moral perception*. In this stage, an ethical problem is perceived and relevant alternatives as well as their respective consequences are identified (Hunt and Vitell 1986; 1991). The next stage identified in the literature review is (2) *moral reasoning*. It involves the identification of and reference to relevant moral philosophies in the evaluation of the alternatives identified (Hunt and Vitell 1986:761). In this evaluation phase, the stage of CMD determines, which ethical philosophies are employed. Depending on the individual's cognitive moral development-stage, teleological considerations (regarding the desirability and probability of consequences as well as the stakeholders concerned) or deontological norms are accounted for (Malhotra and Miller 1987:278).<sup>14</sup> The (3) *moral judgment* resulting from these (teleological/deontological) considerations is a crucial point in the ethical decision process. It represents an individual's decision whether a certain alternative is morally "good" or "bad" (Hunt and Vitell 1986:763).<sup>15</sup> From this judgment, according to Hunt and Vitell (1986; 1991), the individual derives a (4) *moral intention* (which represents her/his "choice"), reflecting the probability of engaging in a certain behavior. This is consistent with general theories in consumer behavior (e.g., Engel, Blackwell, and Kollat 1978; Howard and Sheth 1969) as well as the Fishbein and Ajzen (1975) model. Moral intentions, in turn, lead to particular (5) *moral behavior* (which in the marketing context is often also denoted as "action"). The decision making process, however, does not end with the execution of a particular behavior, as the Ferrell, Gresham, and Fraedrich (1989) model demonstrates. Rather, moral behavior is followed by a (6) *behavioral evaluation*.

*Attitudes and Values* – In order to determine the role of culture as a multidimensional determinant of ethical decision making, two further constructs not systematically included in the earlier models need to be integrated: attitudes and values. *Attitudes* represent an important variable discussed in the context of classical models of

<sup>12</sup> In the literature, the term "evaluation" often is used for this second stage. Sometimes, however, the subsequent stage in the process (here denoted as "judgment") is also referred to as "moral evaluation". As the dominant process in the second stage is "*moral reasoning*" this term is preferred here to avoid terminological inconsistency.

<sup>13</sup> The basic *decision making process* (Engel, Blackwell, and Miniard, 1993:41) comprises: "*problem recognition*", "*search for information*", "*alternative evaluation*", "*action*", and "*outcome evaluation*". This sequence can be supplemented by a further stage, which is "choice/intention". For a comprehensive treatise of human decision making see Kirsch (1977).

<sup>14</sup> As many academic disciplines approach ethics from a cognitive orientation by exploring the reasoning processes individuals use to make ethical judgments (Goolsby and Hunt, 1992:55), this stage has so far received most attention in the literature.

<sup>15</sup> Whereas the preceding stage of "moral reasoning" represents a *process* of finding a solution by weighing distinct arguments and criteria, a "moral judgment" constitutes the *result* of this process.

decision making in marketing. Although some authors (e.g., Ferrell and Gresham 1985; Ferrell, Gresham, and Fraedrich 1989) have considered "moral attitudes", they have not systematically integrated them as a relevant construct. Representing stable predispositions formed on the basis of a post-hoc evaluation of the behavior chosen and executed (Kroeber-Riel and Weinberg 1999:172), attitudes need to be included in an integrated framework of ethical decision making. Referring to the theory of cognitive dissonance (Festinger 1957), it can be stated that decisions that have been internalized as attitudes, are confirmed or moderated respectively by succeeding moral judgments. On the other hand, the attitudes an individual holds, moderate the impact of the moral judgment on intentions in subsequent decision processes (see Hunt and Vitell 1986:764; Epstein 1987:109; Dubinsky and Loken 1989:103; Ferrell, Gresham, and Fraedrich 1989:61; Ajzen 1996:387; Kroeber-Riel and Weinberg 1999:168; Malhotra and Miller 1998:276), due to the human quest for confirmation. Referring to culture theory, it can further be assumed that moral attitudes (which are the result of an evaluation of moral behavior) – in the long term – affect moral values. This way, they finally feed back into new decision processes (Hofstede 1980:27).

Several authors have suggested such a feedback mechanism in ethical decision processes (e.g., Malhotra and Miller 1998:276; Hunt and Vitell 1991; Stead, Worrell, and Stead 1990:235), but none of them referred to values. *Values*, however, play a central role in ethical decision making as they represent the basis of any *e-val(u)e*-ation. They are similar to attitudes but more fundamental, more permanent (Rokeach 1973:17ff; England 1975:1; Schwartz 1992:3), and more deeply anchored in the personality (Kroeber 1952:138; Kluckhohn and Strodtbeck 1961:4). Engel, Blackwell, and Miniard (1993:364f.) state with respect to consumption decisions: "*Values are the 'ends' people seek in their lives.*" In the ethical context, values determine what is *perceived as an ethical problem* and direct the *choice of and reference to respective moral philosophies*<sup>16</sup> (Kroeber 1952:138; Kluckhohn and Strodtbeck 1961:4; England 1975:5; Schmidt and Posner 1982:13; Hofstede 1985:347; Singhapakdi and Vitell 1993:529f.). This way, values influence the whole decision making processes and represent a fundamental ethical dimension to be included in a comprehensive model of ethical decision making (Miner and Petocz 2003).<sup>17</sup>

*The "Affective – Cognitive – Behavioral" Spectrum of Ethical Decision Processes* – Another issue not discussed in earlier theoretical approaches pertains to the different quality of the various morality dimensions representing the distinct stages of the decision process. According to Rest (1979), ethical decision processes should be regarded as spanning a spectrum from "affective" to "cognitive" and "behavioral" dimensions (Robin, Reidenbach and Forrest 1996:20). The widely accepted theoretical models of ethical decision making in marketing focus on cognitions only (particularly moral reasoning and moral judgments) or the relation between cognitions and – mostly intended rather than actual – behavior (Bommer et al. 1987:267; Trevino 1986:602f). They thus exclude emotional dimensions. As, however, affective aspects play an important role in decision making (Zajonc and Markus 1982; Kroeber-Riel and Weinberg 1999), they cannot be ignored. This is particularly true, when ethical decisions are concerned (Miner and Petocz 2003:12).

Moral values and moral perception can both be categorized in the affective band of the spectrum. *Values* represent human desires (Rokeach 1973) referring to potential future outcomes that are positively perceived by a person (Kirsch 1977:126). As expressions of how individuals relate to the world around them (Laszlo 1973:252), they constitute deeply rooted inclinations that involve emotions. *Perception* – being directly determined by values – also contains significant affective facets besides its cognitive dimension (Kroeber-Riel and Weinberg 1996: 269). In essence, what represents a moral problem or simply that an ethical conflict has emerged, is often "felt" more than "known". Krech and Crutchfield 1992:11f) in the psychological context refer to "perception experience".<sup>18</sup>

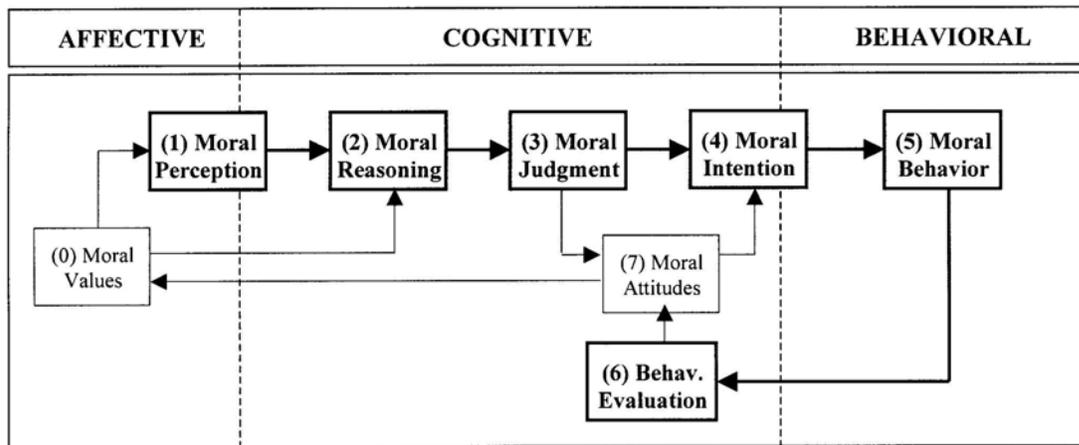
<sup>16</sup> The central *moral philosophies* "deontology" and "teleology" can be seen as the *means* by which the *ends* defined by *human values* can be implemented.

<sup>17</sup> Hunt and Vitell (1986; 1991) refer to them in their model as one of many personal characteristics. Contrarily, in the general marketing literature (e.g., Engel, Blackwell, and Miniard 1993:364), it is suggested that moral values do not represent simple personality traits but constitute basic convictions underlying any ethical decision process and determining its initial phases.

<sup>18</sup> In the psychology literature, perception is treated as a mainly cognitive process. Still, as it contains the most emotional facets, it seems valid to classify it as partly affective.

The “core” stages of the model – reasoning, judgment, and intentions – are significant cognitive constructs. While *moral reasoning* and *judgments* constitute major “mental processes” (Rest 1979:3), *intentions* constitute the probability of engaging in particular (un)ethical behavior and, thus, also include behavioral aspects (Kroeber-Riel and Weinberg 1999:182f). *Behavior* per definition is to be ranked in the behavioral band of the spectrum. Moral attitudes and behavioral evaluation can again be regarded as cognitive dimensions. *Attitudes* constitute mental predispositions learned over time (Solomon, Bamossy, and Askegaard 2001:158f). In consumer research, they have been proposed to contain affective, cognitive, as well as conative dimensions (Kroeber-Riel and Weinberg 1996:170). This “Three-components Theory” has however been criticized as too diffuse (e.g., Trommsdorff 1989:127f), and from a psychological perspective the cognitive characteristics of attitudes can be considered as dominant (Boehler 1992:106f). *Behavioral evaluation*, again, represents a cognitive process. Figure 3 summarizes the stages of ethical decision making and depicts their sequence reflecting the “affective-cognitive-behavioral” continuum. In this graph, attitudes resulting from the post-hoc evaluation of moral behavior have been numbered (7), and moral values – constituting the grounding from which any decision process starts – are identified as basic dimension (0). Moreover, as both represent underlying constructs rather than stages in the actual decision process, they have been visually distinguished from the other dimensions in Figure 3 by regular rather than bold letters.

**FIGURE 3**  
**The Spectrum of Ethical Dimensions: From the Affective to the Cognitive and the Behavioral Phase**



*Empirical Support for the Sequence of Stages* – The process described in the theoretical models has been tested out empirically. As a full test of the models is difficult due to the high complexity of relationships (Hunt and Vitell 1986:766), selected parts rather than all the relationships in one have been investigated in empirical studies so far. The focus, thereby, has been on the “cognitive heart” of ethical decision making. Empirical results provide encouraging support for the proposed core relationships. Mayo and Marks (1990), Vitell and Hunt (1990), as well as Hunt and Vásquez-Parraga (1993) show – for marketing researchers and sales persons respectively – that *moral judgment* is significantly related to (deontological and teleological) *moral reasoning*. The authors also find a significant relationship between *moral judgment* and *moral intention*. Further support is added by Akaah (1997) who explored the influence of (deontological and teleological) *moral reasoning* on *moral judgments* of marketing professionals as well as their *behavioral intentions* with regard to research ethics issues. The connection between *moral judgment* and *moral intention* has also been studied and validated by LaFleur et al. (1996). Dubinsky and Loken (1989) were the first to test the sequence “*attitudes – intention*” and found it supported. Reidenbach and Robin (1990) also identified strong relationships between *moral attitudes* and *moral intention* as well as *moral attitudes* and *moral judgment*. Altogether, the findings reflect the empirical validity of the core relationships proposed in the theoretical models of ethical decision making in marketing. Particularly, the relationships between *moral reasoning*, *judgment*, *attitudes*, and *intention* have been empirically supported. Contrarily, little empirical evidence, exists with regard to the “marginal” stages in the *affective* and *behavioral* parts of the decision process. For instance, the basic assumption that a certain situation needs to be *perceived* as having ethical content in order

to trigger the decision making process contained in the various models (Hunt and Vitell 1986:761; 1991:781; Jones 1991:380) has not yet been tested out empirically. Similarly, the following relationships have been described theoretically but not yet investigated in the marketing ethics context: “*intention – behavior*”, “*behavior – behavioral evaluation*”, and “*behavioral evaluation – attitudes*”. Also, the sequences “*attitudes – values*”, “*values – perception*”, and “*values – moral reasoning*” described in the literature still lack empirical proof.

*Individual, Situational, and Issue-contingent Determinants of Ethical Decision Making* – As has been shown, extant models suggest that wide variations in ethical decision making exist, and that these variations can be attributed to contingencies external to the process (Ferrell and Gresham 1985:88). Earlier in this article, it was argued that the relevant contingency factors could be classified as *individual, situational, issue-contingent, and environmental factors*. Although the focus here is on this latter group – representing influences emanating from the *cultural environment* – consideration of all the determinants in an integrative approach seems mandated given the complexity of the issue. Such a comprehensive inspection should provide the basis to identify potential concurrent effects of cultural variables and other determinants on marketers' ethical decisions. Therefore, individual, situational and issue-contingent factors shall be discussed here, before turning to the cultural forces central to this research in the next subsection.

Concerning the influence of *individual demographics* on morality, current empirical evidence is inconsistent.<sup>19</sup> Particularly, results concerning the influence of “gender” are mixed.<sup>20</sup> The only variable found to consistently affect perception of ethical problems is “age” (Deshpande 1997; Schminke 1997). This may be explained by the fact that older people are usually more experienced. Consistently, Singhapakdi and Vitell (1991:41) find a significant positive correlation between “years of business experience” and use of deontological norms in moral evaluation. With regard to *individuals' personality traits*, several studies also point to their influence on ethical decision making. Singhapakdi and Vitell (1990; 1991) identify a significant impact of “machiavellianism” on moral perception as well as on deontological norms, which are one dimension of moral reasoning. Further, the authors (1991) show a significant influence of “locus of control” on moral reasoning.<sup>21</sup> Singhapakdi Vitell, and Franke (1999) find out that personal “idealism/relativism” determine moral perceptions. *Situational constraints* may result in behaviors that are inconsistent with ethical judgments and intentions (Hunt and Vitell 1986:764). While no studies investigating situational influences were identified, some evidence exists on the relevance of *issue-contingent factors*. Singhapakdi, Vitell, and Kraft (1996), as well as Singhapakdi, Vitell, and Franke (1999) demonstrated significant effects of perceived moral intensity on the perception of whether an ethical problem exists and on the intention to act unethically. Also, Robin, Reidenbach, and Forrest (1996) found that the level of perceived importance had significant and substantial influence on both ethical judgment and intention. Influences of issue-contingent factors on moral behavior have not been investigated. Although Jones (1991) proposed such influences, the impact of issue-contingent factors can be supposed to be limited to the predominantly affective-cognitive band. Moral behavior, on the other hand, has been suggested in the literature (e.g., Hunt and Vitell, 1986; Trevino, 1986) to be more situation-bound. For an overview of the empirically supported determinants, see Table 2.

### **Environmental Determinants of Ethical Decision Making**

Given the focus of this article on determinants of ethical decision making resulting from a marketers' wider and closer cultural environment, it was disappointing that no study could be identified, which *simultaneously* investigated the impact of the *various cultural dimensions*. This fact, however, may be attributed to the many methodological problems involved in such comprehensive investigations. With respect to influences from the *wider cultural environment*, the literature review conducted by Srnska (2000) offers important insights. In this

<sup>19</sup> For an overview of relevant results see Kay-Enders (1996).

<sup>20</sup> Deshpande (1997:63) points to an *asymmetric influence of gender*. In his study *men were harsher on men, and women were harsher on women* with regard to perceived unethical behavior.

<sup>21</sup> With regard to *intentions*, however, machiavellianism and locus of control were *not* found to be significant determinants (Singhapakdi and Vitell, 1990; 1991).

review, slightly more than half of the 51 studies investigating *macrocultural differences* (operationalized as nationality, country of origin/residence, ethnicity, or a combination of these indicators) identified variations in ethical decision making behavior. Also, both studies on the impact of *supracultural dimensions* (religion and history/socio-political situation) included in the review pointed to respective differences. Table 3 suggests that all studies, which focused on *moral perception* or *moral reasoning* showed significant variations between decision makers from distinct macro- and supracultures. Investigations concentrating on *values* or *attitudes* also found mainly differences on these two culture levels. On the other hand, studies that compared moral judgments or moral intentions produced mostly mixed results (differences as well as similarities) with regard to influences from the wider cultural environment. Although the number of studies in the various categories is small and the volume of studies investigating the various morality dimensions differs considerably (see "Sum" column in Table 3), the results of this review seem conclusive. They suggest that supra- and macrocultural influences dominate in the early stages of the ethical decision process, *moral perception* and *moral reasoning*. The cultural variations in these predominantly affective stages may be attributed to differences in the underlying (culture dependent) *moral values*. The fact that cross-cultural studies on moral values also produced mixed results seems plausible, because values are not only culturally determined but also depend on other factors, namely individual characteristics.

**TABLE 2**  
**Empirically Supported "Other" Determinants of Ethical Decision Making**

Determinants	Dimension of Ethical Decision Making	Literature
<b>INDIVIDUAL FACTORS</b>		
<i>Demographics</i>		
▪ Age	Moral Perception	Deshpande (1997); Schminke (1997)
▪ Business Experience	Moral Reasoning	Singhapakdi and Vitell (1991)
<i>Personality</i>		
▪ Machiavellianism	Moral Perception	Singhapakdi and Vitell (1990)
	Moral Reasoning	Singhapakdi and Vitell (1991)
▪ Locus of control	Moral Reasoning	Singhapakdi and Vitell (1991)
▪ Personal Idealism/Relativism	Moral Perception	Singhapakdi, Vitell, and Franke (1999)
<b>SITUATIONAL FACTORS</b>		
▪ -	-	-
<b>ISSUE-CONTINGENT FACTORS</b>		
▪ Moral Intensity	Moral Perception	Singhapakdi, Vitell, and Kraft (1996) Singhapakdi, Vitell, and Franke (1999)
	Moral Reasoning	Singhapakdi, Vitell, and Franke (1999)
	Moral Intentions	Singhapakdi, Vitell, and Kraft (1996) Singhapakdi, Vitell, and Franke (1999)
▪ Perceived Importance	Moral Judgment	Robin, Reidenbach, and Forrest (1996)

The influence of the *closer cultural environment* has been investigated in several studies. For instance, Tsalikis and Nwachukwu (1988) as well as Burns, Fawcett, and Lanasa (1994) studied *mesocultural* differences in moral dimensions. Their mixed results might be explained by the operationalization of the dimensions investigated (in both cases "school attendance") or the culture dimensions themselves (the dimensions "Black versus White" and "Religiosity" may be irrelevant cultural determinants of ethical decision making). More explicit results exist with respect to *microcultural* influences on marketers' ethical decision making. Singhapakdi and Vitell (1991) tested the influence of *corporate culture* (operationalized as the existence and enforcement of corporate codes of ethics) on deontological norms (which represent one dimension of moral reasoning). Their findings did not account for significant influence. Similarly, Nwachukwu and Vitell (1997) did not find an impact of corporate culture (operationalized in the same way) on moral judgments. On the other hand, Singhapakdi and Vitell's (1990) data

show significant influence of corporate culture (again operationalized in the same way) on behavioral intentions.<sup>22</sup> Also, the findings of the research conducted by Dubinsky and Loken (1989) indicate that subjective norms (which can be regarded as a result of influences from the organizational environment) and an individual's motivation to comply with these norms determine intended behavior. Altogether, the studies show the impact of the closer social environment (the organization culture in particular) on *moral intentions* (close to the behavioral part of the decision making-spectrum), whereas earlier (affective as well as cognitive) stages do not seem to be influenced by the immediate cultural environment.

**TABLE 3**  
**Empirically Tested Supra- and Macrocultural Differences**  
**in the Various Dimensions of Ethical Decision Making**

Dimension of Morality	No Differences	Differences and Similarities	Differences	Sum
Moral Perception	-	-	100%	100% (3)
Moral Reasoning	-	-	100%	100% (3)
Moral Values	-	25%	75%	100% (4)
Moral Attitudes	17%	17%	66%	100% (6)
Moral Judgment	25%	42%	33%	100% (12)
Moral Intention	-	100%	-	100% (1)
Combination	12%	42%	46%	100% (24)

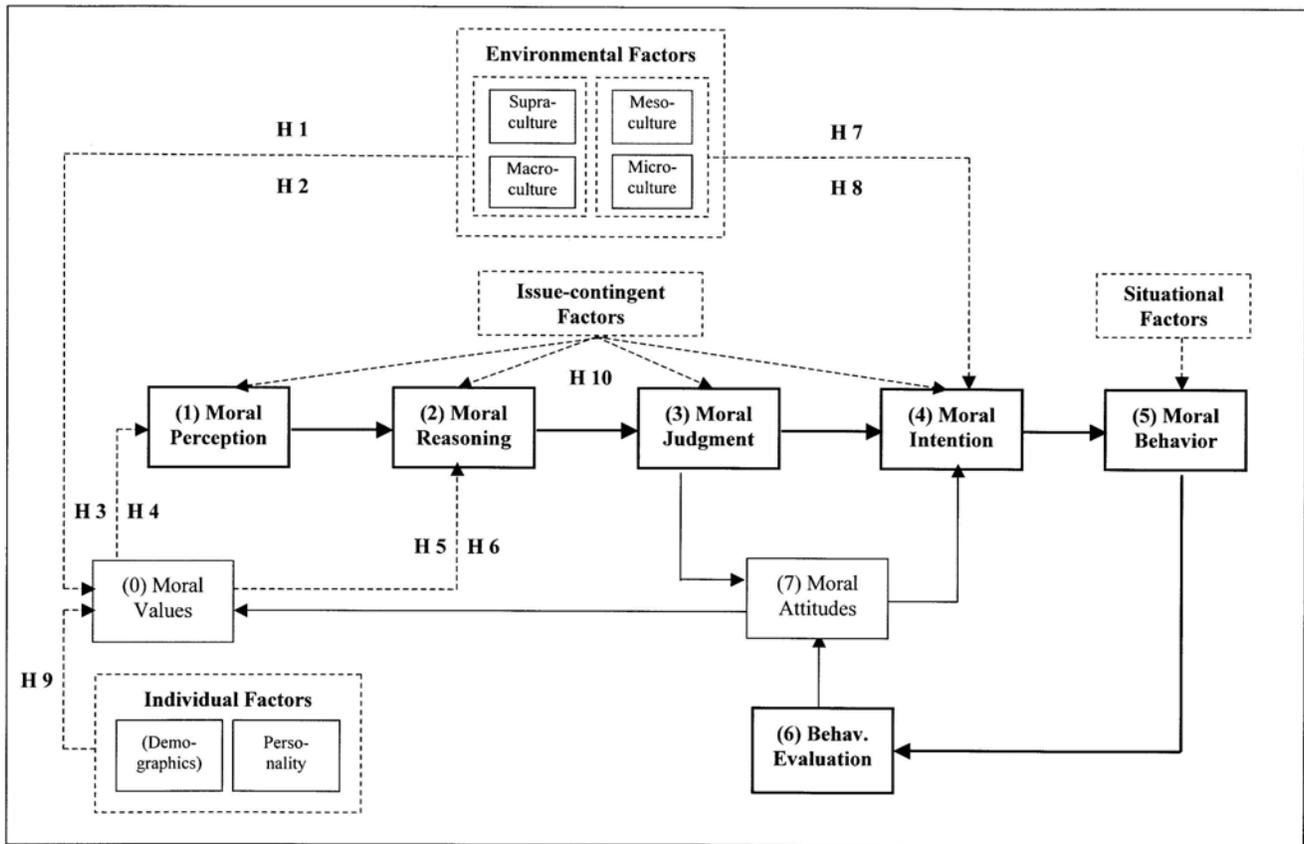
Source: Srnka (2000:192), N=53 studies

**Culture's Role in Marketers' Ethical Decision Making: The Integrated Framework**

Based on the earlier theoretical discussion and the empirical results presented above, it can be concluded that the distinct cultural dimensions *do not* have the same impact on the various stages of the ethical decision process. Rather, empirical evidence suggests that the *wider cultural environment* (supracultural dimensions as well as national macroculture) has a dominant influence on the stages in or close to the *affective* part of the process (values, moral perception, and moral reasoning), whereas the *closer environment* (particularly microculture) seems to primarily influence the *behavioral* part of ethical decision making (most notably intentions). The fact that cross-cultural comparison of values in one study led to mixed results may be attributed to the *concurrence* of cultural dimensions with other determinants. The theoretical models presented as well as other research in the literature (e.g., Nwachukwu and Vitell 1997:766) suggest such concurrent influences. It seems plausible that values, representing *subjective interpretations* of collective ideas and beliefs defined by the wider cultural environment (see section I), also depend on *individual variables* (Rokeach 1973). Thereby, personality traits seem to directly determine values, whereas demographics should have an indirect influence (through their impact on personality development). Concerning *moral judgment* or *moral attitudes*, Srnka's (2000) literature review showed that studies investigating cross-cultural differences on these *cognitively dominated stages* produced mostly mixed results indicating no systematic cultural influences. With regard to moral intentions, results reported in the literature are also mixed. This, in turn, may be attributed to the concurring influences of other variables, most notably *issue-contingent factors*. These, according to theory (see section II), have an impact not only on the affective as well as cognitive stages of ethical decision making, but also on intentions. Thereby, they concur with influences of the *closer cultural environment*. Finally, for *moral behavior* as well as *behavioral evaluation*, no particular cultural influences can be identified based on the theoretical and empirical contributions considered. According to the theoretical models presented (e.g., Ferrell and Gresham 1985), *moral behavior* is rather influenced by *situational factors* (e.g., opportunity).

<sup>22</sup> Contradictory to their study conducted in 1991, Singhapakdi and Vitell (1990) also found that (a) corporate culture had a significant impact on perceived ethical problems and perceived alternatives; and (b) locus of control had no effect on perceived ethical problems. Given that these results were refuted by the authors' later study, they have been excluded here from the discussion.

**FIGURE 4**  
**An Integrated Framework of Ethical Decision Making**



Based on the above considerations, the following conclusions can be made with regard to the central question of this research: (0) Values are the basis, from which the two predominantly *affective* dimensions at the beginning of the ethical decision process emanate: (1) moral perception and (2) moral reasoning. They determine what is perceived as a moral problem and whether immediate consequences (stages 1 and 2 of CMD), societal rules and norms (stages 3 and 4), or general ethical principles (stages 5 and 6) are referred to in the evaluation of the problem. Representing “*conceptions of the desirable*”, values are determined by the *wider cultural environment*. On the other hand, the *behavioral* aspects of the process are influenced by the *closer cultural environment*. Specifically, (4) intentions are subject to microcultural influences. With regard to the central *cognitive stage*, i.e. (3) moral judgment, no cultural influences can be identified. No direct cultural influences can also be expected for (5) behavior, (6) behavioral evaluation, and (7) attitudes.

*Concurrent influences of individual factors* are likely to exist with regard to moral perception and reasoning, whereas *issue-contingent factors* also seem to concomitantly impact on moral intentions. Such concomitant influences may either strengthen or attenuate differences due to cultural variation. For instance, individual factors (such as, e.g., business experience or personal idealism) may increase the – culture dependent – likelihood that a particular issue is perceived as morally problematic. If differences with regard to the moral perception of this particular issue are identified, it is necessary to determine to which extend these differences can be attributed to cultural forces or other (individual, issue-contingent) factors – or both. Figure 4 depicts the resulting integrated framework. From this framework, hypotheses can be deduced regarding:

- *influences of the wider cultural environment on the various stages of ethical decision making (H 1-H 4)*
- *influences of the closer cultural environment on the various stages of ethical decision making (H 5-H 8)*
- *concurrent influences of environmental forces and individual factors (H 9a-f) and concurrent influences of environmental forces and issue-contingent factors (H 10a-f).*

Table 4 gives a structured overview of the respective hypotheses, which have also been included in Figure 4. A discussion and theoretical justification of the hypotheses derived from the framework follows below.

**TABLE 4**  
**Hypotheses on Culture's Influence on Ethical Decision Making**

**Environmental influences on the various stages of the ethical decision making process**

**Influences of the wider cultural environment**

- H 1: Individuals from distinct *supracultures* differ in their *moral values*.
- H 2: Individuals from distinct *macrocultures* differ in their *moral values*.
- H 3: Individuals from distinct *supracultures* differ (due to different values) in their *moral perceptions*.
- H 4: Individuals from distinct *macrocultures* differ (due to different values) in their *moral perceptions*.
- H 5: Individuals from distinct *supracultures* differ (due to different values) in their *moral reasoning*.
- H 6: Individuals from distinct *macrocultures* differ (due to different values) in their *moral reasoning*.

**Influences of the closer cultural environment**

- H 7: Individuals from distinct *mesocultures* differ in their *moral intentions*.
- H 8: Individuals from distinct *microcultures* differ in their *moral intentions*.

**Concurrent influences of other factors**

**Concurrent influences of individual factors**

- H 9: Influences of *individual factors* concur with the influences of the *wider cultural environment*.
- H 9a: *Supracultural differences in moral values* may be confirmed or moderated by concurrent individual factors.
- H 9b: *Macro-cultural differences in moral values* may be confirmed or moderated by concurrent individual factors.
- H 9c: *Supracultural differences in moral perception* may be confirmed or moderated by concurrent individual factors.
- H 9d: *Macro-cultural differences in moral perception* may be confirmed or moderated by concurrent individual factors.
- H 9e: *Supracultural differences in moral reasoning* may be confirmed or moderated by concurrent individual factors.
- H 9f: *Macro-cultural differences in moral reasoning* may be confirmed or moderated by concurrent individual factors.

**Concurrent influences of issue-contingent factors**

- H 10: Influences of *issue-contingent factors* concur with the influences of the *wider and closer cultural environment*.
- H 10a: *Supracultural differences in moral perception* may be confirmed or moderated by concurrent issue-contingent factors.
- H 10b: *Macro-cultural differences in moral perception* may be confirmed or moderated by concurrent issue-contingent factors.
- H 10c: *Supracultural differences in moral reasoning* may be confirmed or moderated by concurrent issue-contingent factors.
- H 10d: *Macro-cultural differences in moral reasoning* may be confirmed or moderated by concurrent issue-contingent factors.
- H 10e: *Mesocultural differences in moral intentions* may be confirmed or moderated by concurrent issue-contingent factors.
- H 10f: *Micro-cultural differences in moral intentions* may be confirmed or moderated by concurrent issue-contingent factors.

*Environmental influences on the individual stages of the ethical decision making process (H 1 - H 8)* – Socialization by the socio-cultural environment has been suggested to influence a person's ethical system (Ferrell and Gresham 1985:93). In this regard, "nationality", "industry and professional environment", and, most importantly, "significant others in the organization" are the sources of socialization most often discussed in the literature (Stead, Worrell, and Stead 1990:234). Bartels (1967) in his early "Model for Ethics in Marketing" already stressed the role of cultural values and particularly nationality. Brenner and Molander (1977) in a survey of 1,200 managers found that "society's moral climate", "industry ethical climate" and "organizational norms" were major factors influencing (un)ethical decision making. While nationality represents a significant cultural dimension of the wider cultural environment, industry or professional climate and organizational culture constitute major determinants in the closer environment. Values learned from the environment through socialization determine what is important – i.e., "valu(e)able" – for the decision maker (Poser and Munson 1979:10). The corresponding

hypothesis that individuals from different *supracultures* (e.g., countries with distinct economic systems or of different economic development) or different *macrocultures* (e.g., nationalities) have different *moral values* (H 1 and H 2), can be traced back to the discussion of the culture-concept at the beginning of this article. As has been held, the wider cultural environment – through social learning in early childhood – conveys the fundamental value system. These values constitute assumptions about how one should approach ethical problems. Different cultural environments are likely to produce different values and, thus, lead to different approaches to ethical issues. A considerable number of empirical studies support this view. England and Lee (1971) as well as England (1975) in their cross-cultural studies in the USA, Japan, Korea, Australia, and India for instance show that managerial values are nation-specific. Their results suggest that culture and economic development have a greater impact on values than other factors. Singhapakdi et al. (1995) found significant differences in both the personal and professional values of American and Thai marketers. Bigoness and Blakely (1996), in a study comprising eleven English- and German-speaking, Latin and Nordic as well as one Asian country, also identified considerable value differences depending on the cultural distance of the countries. Correspondingly, Ralston et al. (1992) as well as Ralston et al. (1993) report significant differences in values for managers in China, Hong Kong, and the USA. Based on the findings of a subsequent study in China, Japan, the USA, and Russia, Ralston et al. (1995) propose that economic ideology and national culture interact to create a new and unique value system.

Earlier in this article, it has been argued that values determine the two initial stages of the decision process: *moral perception* and *moral reasoning*. Basically, there is widespread acceptance in the marketing literature that values, as culturally derived standards learned through socialization, impact on these stages (Ferrell and Gresham 1985:90). If, in turn, supra- and macroculture impact values, they should – through values – also influence the two initial stages classified in the affective band of the decision process (H 3 and H 4, H 5 and H 6). This means that individuals from different countries, nations, or wider cultural areas will differ with respect to whether an ethical dilemma is perceived and which moral evaluation strategies are chosen (Malhotra and Miller 1998:276).

Dolecheck and Dolecheck (1987) empirically show that cultural differences with regard to *ethical perceptions* even exist between different nations at the same level of industrialization. According to Armstrong and Sweeney (1994), national culture has a greater effect on the perception of ethical problems than mode of market entry and industry type. Results of the research conducted by Dubinsky et al. (1991), besides some similarities, revealed significant differences in the ethical perceptions of Japanese, Korean, and U.S. respondents. White and Rhodeback (1992) as well as Honeycutt, Siguaw, and Hunt (1995) also indicate cultural differences in ethical problems perceived by individuals from Taiwan and the USA. Davis, Johnson, and Ohmer (1998) report similar results in their study comparing individuals from Central Eastern Europe, Indonesia and the USA on ethical perceptions. Ahmed, Chung, and Eichenseher (2003) only recently found that business students in two formerly centrally planned economies (China and Russia) systematically perceived less harm in descriptions of ethically questionable business scenarios as compared to their counterparts from Egypt and the USA.

Fritzsche et al. (1995) report systematic cultural differences in *moral reasoning* between managers from the USA and three Asian countries (Japan, Korea, Taiwan). Abramson, Keating, and Lane (1996) also identified significant cultural differences in managers' moral reasoning in Japan, Canada, and the USA. Tsalikis and Nwachukwu (1989) who did not find significant differences in the moral reasoning between Greek and US individuals argue that their findings are not too surprising since the two cultures compared are very similar with regard to the (Judeo-Christian) heritage as well as their economic system, development, and growth. Lee and Yoshihara (1997) as well as Nakano (1997) found many similarities but also some differences in the moral reasoning of managers in two Asian countries (Japan and Korea). Despite the common historical heritage and economic ideology of the USA and New Zealand, Okleshen and Hoyt (1996) identified significant differences in the moral reasoning of business students from these two countries. Husted et al. (1996), found that forms of moral reasoning used in Mexico and the USA differed significantly, and Spanish respondents in this study fell in an intermediate position. Correspondingly, Allmon et al.'s (1997) results show that significant differences exist between business students from Taiwan and the USA, while students from Australia were mostly between US and Tai students in their moral reasoning. Ford et al. (1997) show that Chinese managers are significantly more collectivistic and rule-oriented in moral reasoning than their counterparts in the USA. Grünbaum (1997), on the other hand, found Finns to be more

influenced by the consequences their actions had for others and Americans by religious convictions. Swinneyard, Rinne, and Kau (1990), who were the first to study consumers' ethical decision making, state that respondents in Singapore and the USA differed regarding moral reasoning. Rawwas, Vitell, and Al-Khatib (1994) found consumers from Egypt to be more idealistic in their reasoning, whereas Lebanese consumers were more relativistic. Rawwas, Patzer, and Klassen (1995), again, showed that Hong Kong consumers were slightly more idealistic than their counterparts from Northern Ireland, while there was no difference in moral reasoning between the groups with view to relativism. Rawwas, Patzer, and Vitell (1998) also identified significant differences in the ethical ideologies applied in moral reasoning by Irish and Lebanese consumers.

While the influences of the wider cultural environment discussed above are based on deeply rooted, fundamental values learned in early childhood, influences of the closer (organizational and professional) environment emanate from more superficial norms and rules relating to particular behaviors (Hofstede 1985). Industries, professions, and organizations have complex sets of norms and (through formal codes and guidelines as well as formal or informal personal communication and day-to-day interaction) socialize their members accordingly (Hunt and Vitell 1991:782). The greater the rewards for obeying to existing norms and the greater punishments for disregarding them, the more likely it will be that an individual chooses the "accepted" form of behavior (Ferrell, Gresham, and Fraedrich 1989:59). The organizational context has been shown to have a strong direct influence on specific ethical aspects, usually prevailing over individual variables or even influences of the wider cultural environment (Stead, Worrell, and Stead 1990:235; Hunt and Vitell 1986:764; Jones 1991:391). Thus, the *meso-* and *microculture* – although less deeply anchored – are likely to have a significant impact on *moral intentions*, which are close to the behavioral array of the decision spectrum (H 7 and H 8). Although empirical evidence substantiating these hypotheses is relatively scarce, some supporting results exist. In the Baumhart (1961)-study as well as the replication-study conducted by Brenner and Molander (1977), for instance, most respondents (75% and 57% respectively) reported experiencing external pressures on their ethical decisions from the organization. While moral reasoning and moral judgments of individuals from different subcultures were found not to differ significantly (Tsalikis and Nwachukwu 1998), empirical evidence suggests micro- or mesocultural variations in ethical intentions (e.g., DeConnick and Good 1989). Further empirical research is still needed in this regard.

*Concurrent influences of environmental forces and other factors (H 9 & H 10)* – While the various factors impacting ethical decision making have received much attention in marketing ethics, concomitant influences of determinants have not yet been systematically treated in the literature. In the investigation of culture's role in marketers' ethical decision making, the potential concurrence between environmental and other influencing factors needs to be accounted for. Findings, such as those reported in the literature review conducted by Ford and Richardson (1994), which indicate that results of empirical studies on ethical decision making are mostly mixed, may be attributed to concurrent influences of various factors not explicitly considered. The literature particularly points to the concurrence of cultural influences with individual and issue-contingent factors. In the models reviewed, *individual factors* – demographics and particularly personality variables – have been identified as major determinants of ethical decision making. Essentially, it was argued that individual factors influence values, which in turn determine moral perception and moral reasoning. This is consistent with the literature: Jones (1991:382), for instance, holds that individual variables play a significant role in the recognition of moral issues; and Hunt and Vitell (1986:765f) posit that "deontological norms" and "consideration of stakeholders" (which represent both part of moral reasoning) are mutually formed by personal experiences and the cultural environment. Consequently, individual factors can be supposed to concur with influences of the wider cultural environment. Such concomitant influences, as already suggested above, can result in confirming or moderating *supra-* and *macrocultural influences* on *moral perception* and *moral reasoning* (H 9). England (1975), in their empirical study found, besides significant differences in the value systems of managers in the five different countries studied, also similarities which may be attributed to personal factors. Correspondingly, Davis, Johnson, and Ohmer (1998) found that personal ethical ideology contributed significantly to moral perception after controlling for socio-cultural background effects. Referring to Jones (1991), it has been held that *issue-contingent factors* (i.e. characteristics of the problem itself) have a considerable impact on various stages of the ethical decision process. These factors possibly also concur with environmental variables. In particular, they are likely to have concomitant influence with *supra-* and *macrocultural factors* (through moral values) on *moral perception* and *moral*

*reasoning*, and with *meso- and microcultural variables on moral intentions* (H 10). Becker and Fritzsche (1987) as well as Fritzsche et al. (1995) empirically show that the cultural impact on ethical decision-making behavior varies with the type of ethical problem faced. They find universal agreement on rejecting behavior perceived as potentially inflicting incalculable harm on all mankind. Also, if a potentially serious physical injury to a third party would result, managers universally tend to side with the injured party. Davis, Johnson, and Ohmer's (1998) results also point in this direction. The authors hold that the differences observed stem from varying emphasis on particular ethical issues rather than fundamental dissimilarities in basic ethical values across cultures.

Altogether, the hypotheses proposed in this research with regard to the *influence of the wider and closer cultural environment on distinct stages of ethical decision making* as well as those on the *concurrence of environmental forces and individual or issue-contingent factors* are not only theoretically grounded but can also be empirically substantiated referring to the marketing ethics literature.

## CONCLUSIONS

Given the *growing relevance of ethical aspects in marketing* on the one hand, and the *increasing cross-cultural integration of economic processes* on the other hand, marketers need to better understand how ethical decision making in the marketing context takes place, and particularly, what the role of culture is in this process (Dubinsky et al. 1991:61; Singhapakdi and Vitell 1991:41; Ford et al. 1997:74; Armstrong 1992:161). Positive models of ethical decision making provide a comprehensive understanding of how ethical decisions are made and offer a valuable theoretical basis that may guide research on marketing ethics (Hunt and Vitell 1986:768; Ferrell, Gresham, and Fraedrich 1989:63). Still, cross-cultural research on marketing ethics is in need of more solid theoretical grounding (Schminke 1997:64). This article builds on and extends marketing ethics theory to develop such a "well-founded theoretical grounding" that explains how cultural forces affect ethical decision making. The framework proposed on the basis of theoretical as well as empirical works, describes the ethical decision process – a sequence of defined stages through which an individual passes when confronted with an ethical problem – and identifies the factors influencing the various stages of this process. Thereby, the focus is on environmental factors, which comprise forces on the four cultural levels. Influences of the wider environment (i.e., supra- and macroculture) are shown to have an impact on the *affective stages of decision making*, whereas the closer environment (i.e., meso- and microculture) is found to affect the predominantly *behavioral part of the process*, particularly intentions. The central *cognitive dimension* of the ethical decision making process – ethical judgment – is identified as some kind of "culture-free zone". Also, no direct cultural impact on actual behavior can be suggested. The framework accounts for other variables that concur with cultural determinants of marketers' ethical decision making. Hypotheses derived from the framework are shown to comply with previous research.

The contribution of this research is threefold. *First*, the broad spectrum of theory on ethical decision making and culture is revisited, and a consistent terminology is derived through a systematic analysis of the marketing ethics literature. *Second* (and most importantly), this research adds to marketing ethics theory by offering a comprehensive model of ethical decision making, which – based on theoretical foundations and empirical evidence – describes the impact of cultural influences emanating from the closer and wider environment on the various stages of marketers' ethical decision processes. Conceptually, neither the process nor the stages of ethical decision making described in the framework are new. However, the earlier approaches have two important shortcomings: (1) they reduce cultural influences to "national" variations; (2) they do not account for the dynamics of real ethical decisions by not distinguishing the impact of distinct cultural forces on the various stages of the decision process. This work enriches existing theory by dissecting the different cultural dimensions of the closer and wider environment into four clearly defined culture levels and by showing that influences of the various levels differ along the "affective-cognitive-behavioral" spectrum of the decision process. *Third*, hypotheses have been offered that may guide future empirical work in the area of marketing ethics.

A major advantage of this – descriptive (rather than prescriptive) – framework is that it can be assumed to be widely applicable. More specialized approaches, such as the integrated model for ethical decision making in

marketing research by Malhotra and Miller (1998), have been proposed in the literature. However, it has been held that ethical decisions in marketing do not differ from decision making in general (Robin and Reidenbach 1990:127; Dubinsky and Loken 1989:103). Also, the models, on which this framework draws, have been treated as general theories applicable in most contexts (e.g., Hunt and Vitell 1991:779). The proposed framework, therefore, is not confined to marketing situations but may (with few adaptations) also be applied to consumers, to other fields in business, and to other contexts of human behavior. Some authors (e.g., McCort and Malhotra 1993:92) question the applicability of the ethical decision making process-concept to non-Western cultures arguing that "virtually all theories in marketing are bound to a Western conceptualization of the world". Several studies in the field of consumer behavior, however, support the applicability of the basic decision concept in various contexts and cultures (e.g., McDonald 1995; Mathur 1998). An important limitation of the integrated framework, yet, is that the process described represents the "ideal type" of an ethical decision process. Such an – extensive – decision process, however, is likely to take place only in a high-involvement situation. It can be assumed that ethical problems actually constitute situations of high complexity and importance to individual decision makers and, therefore, should mostly result in high-involvement decision making. Nevertheless, "limited", "behavioral" or "impulsive" decisions might also take place in ethically sensitive situations because individuals usually aim to reduce complexity. When the decision maker (1) has already been confronted with a certain problem before and solved it (and, therefore, is already experienced) or, contrarily (2) is overwhelmed because of the novelty and complexity of the task, it might happen that he or she does not pass through all stages. Rather, the respective individual might rely on an attitude already held, thus skipping *stages 2* (moral evaluation) and *3* (moral judgment). He or she might immediately go from *stage 1* (moral perception) to *stage 7* (moral attitude) and further to *stage 4* (moral intention), and finally to *stage 5* (moral behavior). Based on these considerations, a *typology of moral decisions*, comparable to the classification of consumer's buying decisions (e.g., Howard and Sheth 1969; Behrens 1991; Weinberg 1994) might be an issue for further research.

Just as the widely accepted models on which it is based, the integrated framework proposed concentrates on individuals' ethical decision process and its determinants, and thus adheres to the monadic perspective. At the beginning of this article, however, the importance of trust and long-lasting relationships in cross-cultural marketing was stressed. Understanding individual decision making will not suffice to improve exchange relationships. Rather, a comprehensive approach, in which exchange partners are not ignored, is needed. Combining current approaches with a relational view can provide us with a more complete understanding of (un)ethical behavior in organizations (Brass, Butterfield, and Skaggs 1998:25). Marketing ethics research increasingly supports a relational exchange perspective (Stead, Worrell, and Stead 1990:234). Malhotra and Miller (1998), for instance, in their model of ethical decision making in marketing research complete the classical approaches with a relational exchange perspective. The dyadic interaction approach as well as the social network approach discussed in the marketing ethics literature can be regarded to complement the framework presented in this article by adding the relational exchange perspective central to the current marketing conception. Consequently, extending the integrated theoretical framework of marketers' ethical decision making with a relational exchange perspective represents a promising next step in the development of marketing ethics theory.

Future research should broadly enforce the interactionist perspective suggested in the marketing ethics literature. Interactions between influences from the wider and the closer cultural environment should be investigated. Bartels (1967:23) argues that the norms of behavior in all institutions are the product of the general cultural characteristics of the society. Correspondingly, Bommer et al. (1987:268) hold that evidence indicates that many managers in their jobs will not adhere to general social values, unless those are incorporated within their professional or organizational environment. Similarly, Stead, Worrell, and Stead (1990:237) argue that organizational factors do not exist in isolation but are heavily influenced by outside forces. So far, to the author's knowledge, no research has systematically investigated interactions between the closer and wider cultural environment. Such studies, however, are needed. The integrated framework proposed may be helpful in designing respective studies. Essentially, interactions between national identity and economic conditions on the one hand and the organizational culture on the other should be considered. Attention should also be paid to potential interactions between the various cultural forces and other determinants. Trevino (1986:610), for instance, suggests that managers at lower levels of CMD (stages 3 and 4 in particular) will be more susceptible to situational

influences on ethical behavior than principled managers. Further, interactions between cultural dimensions and issue-contingent factors might be much more complex than the framework in its current form suggests. As has been discussed, moral intensity mainly focuses on consequences. However, in one dimension ("social consensus"), the construct also reflects social norms. It therefore might differ for distinct cultures. Several authors also suggest that the perceived importance of an issue is personal and temporal in character (Robin, Reidenbach, and Forrest 1996:17; Singhapakdi, Vitell, and Franke 1999:20). These aspects also need further inspection.

*"The next logical step after theory construction is theory testing."* (Singhapakdi and Vitell 1990:4) Although the framework has been developed in accordance with existing empirical findings, additional studies will be needed to test out the framework presented and the hypotheses derived from it. Exploring marketers' fundamental value systems seems a promising first step in gaining a better understanding of cultural variations in ethical decision making. Future studies should consider culture as a multidimensional phenomenon (including the meso, macro, and supra levels). Further empirical research is particularly necessary with respect to the influence of cultural determinants other than nationality. Also, distinct cultural factors influencing the various stages of ethical decision making should be studied more thoroughly. Ethical decision making thereby should not be reduced to selected parts of the process (particularly the cognitive core dimensions), but consider the various – affective, cognitive, and behavioral – stages of the process. A particular need exists for empirical research on the influence of meso- and microcultural influences. If selected cultural dimensions are to be studied, the other cultural levels must be kept in mind and held constant. Cultural dimensions can be controlled by matching the samples in the cultures compared (e.g., mesocultures such as finance vs. marketing managers) on the other cultural aspects (e.g., supra-, macro-, and – as far as possible – microculture). Microculture usually can best be controlled by selecting individuals in an international company. Further, to account for concurrent influences of other – individual or issue-contingent – factors (H 9 and H 10), these factors need to be included in the measurement and data analysis.

The observation and measurement of managers' ethics certainly remains difficult. Investigations can however benefit from the measurement tools available (Ford and Richardson 1994:218; Trevino 1986:615). Particularly, the use of scenario techniques is well established in ethics research. Hunt and Vitell (1986:766f) have proposed them as suitable vehicles for investigating ethical decision making and suggested that the same scenarios could be used on different populations having distinct ethical frameworks. Regarding the operationalization of the various morality dimensions, the reader is referred to Vitell and Hunt (1990) or Reidenbach and Robin (1988; 1990). Further, the comprehensive work by Vitell and Ho (1997) offers a detailed overview and discussion of scales measuring the various dimensions of ethical decision making. Choosing a broad, qualitative approach might, on the other hand, provide for relevant new insights into the decision process and influences from the various cultural environments. More holistic and creative empirical research is therefore encouraged. Subjects could, e.g., be asked for word-for-word protocols (orally or in writing) when trying to come to a decision in an ethical problem situation (Mayo and Marks 1990:169). Respective data might be complemented with data collected by using other methods (taking a "triangulation" approach). Another promising approach is the simulation of a moral conflict to investigate marketers' ethical decision making in a more comprehensive approach (Trevino 1986:615; Srnska 2000). Well-designed lab experiments have been proposed as particularly useful in exploring factors impacting ethical decision processes (Ford and Richardson 1994:219). At this early stage, however, Hunt and Vitell's (1986:766) suggestion shall be emphasized that "[a]t least at the beginning, it would seem most appropriate to test portions of the model rather than all the relationships in one ... ."

Probably the most important contribution of the comprehensive models of ethical decision making is that they may help practitioners to make more reasoned, informed, and principled ethical decisions and actions (Miner and Petocz 2003:23; Hunt and Vitell 1991:782). This is important because according to Cordeiro (2003) "[t]he only solution to the decline in business ethics [are] ethical managers". The integrated framework offers numerous *practical implications* and therefore is also of value for marketers.

- The framework shows that, what is *judged to be right* will not necessarily result in respective *actual behavior*. Moreover, it shows that it is not even obvious and identical for all individuals, *what is perceived as morally problematic situation*. It thereby indicates that culture plays an important role in the

affective-cognitive-behavioral spectrum of ethical decision making. Consequently, training that sensitizes individuals to respective differences in values is recommended for marketers designated for cross-cultural projects or international positions. It can help to reduce ambiguity and prevent ethical conflicts, which might result in a breaking off of marketing exchanges.

- Significant implications can also be expected from the different influence of the various cultural dimensions on distinct stages of the ethical decision making process: The fact that the predominantly affective phases of the process are determined by deeply-rooted macro- and supracultural values, entails that these stages cannot be influenced easily. The affective dimensions need, however, to be closely observed because they usually play a dominant role in individuals' lives and determine the whole decision process. Again, practical training, workshops, or internal exchange of experiences can uncover significant cultural differences and provide helpful guidance for decision makers.
- The finding that behavioral dimensions largely depend on norms, rewards/sanctions, and the behavior of the immediate meso- and microcultural environment, seems of particular relevance to management. They indicate that professional guidelines and a strong corporate spirit are likely to affect behavior more than national, economic, or religious background. However, one important aspect has to be kept in mind: If the organizational environment constantly enforces behavior which differs from values learned in early childhood, this is likely to lead to strong cognitive dissonances and to result in high dissatisfaction and low commitment<sup>23</sup> due to role ambiguity and conflicts (Mathieu and Zajac 1990:175) or feelings of guilt (Hunt and Vitell 1986:761) experienced by the decision maker. When employees feel they are permanently required to undertake unethical actions, the great amount of dissonance created will be manifested by increasing absenteeism, tardism, poor performance, and quitting. Moreover, such dissonances encourage employees to cheat their employer (Delaney and Sockell 1992). On the other hand, there is a significant positive correlation between the attention to ethics by management and employees' job satisfaction (Vitell and Davis 1990).

In conclusion, it shall be stated that the integrated framework developed here shall contribute to the understanding of *culture's role in ethical decision making among marketers*. Given the limited effort directed toward theory testing in the field so far, it ideally will not only add to marketing ethics theory on the one hand and aid practitioners in the cross-cultural marketing context on the other, but also inspire empirical studies in the future!

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<sup>23</sup> For an analysis of *corporate ethical values and organizational commitment* see Hunt, Wood, and Chonko (1989).  
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