

## **EXPLORING MORAL ACTION: A CRITICAL REVIEW OF INTEGRATIVE MODELS AND SUGGESTIONS FOR FUTURE RESEARCH**

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### **Introduction**

With several ethical infractions being unearthed with alarming regularity, organizations today are under pressure to critically examine and identify sources of wrong-doing, and consequently reform their stakeholder-related practices. Help in deciphering the triggers behind (un)ethical conduct and the cognitive processes individuals use while evaluating dilemmas has come from researchers who for the last three decades have been attempting to determine why individuals behave unethically in workplaces. In an attempt to understand the complexities of moral action, this paper undertakes a critical review of key models of ethical decision-making. Investigations begin with Rest's (1986) model of moral action that explains the process of ethical decision-making and explores it further through subsequent descriptive studies. During the mid-1980's and early 1990's a number of theoretical models (e.g., Treviño, 1986; Jones, 1991) were built on the foundation of the model of moral action. These studies added a wide variety of constructs to Rest's model in assessing the process of forming ethical intentions and ultimately translating them into behavior. Several databases were used to provide detailed information on approaches to ethical decision-making. These databases included ProQuest, JSTOR, EBSCO, PsycINFO and SSRN from which numerous peer reviewed academic journals were accessed.

### **Model of Moral Action – Rest (1986)**

In his initial development of an ethical decision-making model, Rest identified four stages that were presented as a synthesis of research in moral psychology. It was then developed into a model that hypothesized psychological components underlying every moral act (Narvaez and Rest, 1995; Rest et al., 1986, 1999). The four basic components or steps of the model are as follows:

*Step 1:* Moral sensitivity or awareness is the ability to interpret cause-effect relationships in situations where a decision affects the welfare of others. Failure to understand the causal links can emanate from ignorance of an action's effect (e.g., not knowing that by buying a particular brand we are abetting the use of child labor), or ambiguous cues in the act itself (e.g., whether a loud argument is a lovers' tiff or domestic violence).

Several studies have noted that women tend to have greater skill at identifying ethical issues and that training and experience can improve individuals' ethical sensitivity (Treviño et al., 2006). The context and nature of the issue also influences ethical awareness with Jones (1991) stating that issues with high moral intensity are more vivid and salient, and therefore gain the individual's attention and consequently are more likely to be identified as ethical issues. Subsequent research has demonstrated that characteristics of a moral issue, particularly the magnitude of its consequences and the social consensus on it (Flannery and May, 2000; Frey, 2000; May and Pauli, 2002; Singhapakdi et al., 1996)

influence moral awareness (as well as ethical intentions).

Further, individuals can be more attentive to information based on their cognitive predispositions (Reynolds, 2006). Individuals who prefer to focus on the ends in ethical decision-making (utilitarians) were found to be significantly less likely to identify issues that involved only violations of behavioral norms as moral issues than those who prefer to focus on the means (formalists). The other influences on moral awareness include existence of a competitive framework, the use of moral language (the latter by triggering a moral issue schema) and social consensus (Butterfield et al., 2000).

*Step 2:* Once an individual becomes aware of an ethical issue, the ethical judgment process is likely to begin. Moral judgment or evaluation is the ability to make a decision based on a moral ideal. Moral judgment involves application of moral principles unlike following social norms which are generally learnt from society and copied while behaving. Being vicariously learnt, norms (such as dress codes or dining manners) do not require individuals to make a provision for evaluation or analysis. Moral judgment, on the contrary, is a cognitive-developmental attribute, in which an understanding of social arrangements is developed so that the individual can adopt modes of evaluation and behavior that shift focus from short-term individual needs to long-term societal needs (Kohlberg, 1976, 1984). The most prominent social scientific theory of ethical judgment remains Kohlberg's (1969) theory of cognitive moral development that avers that moral judgment develops with age and progresses through six stages. Individuals move through these stages in an invariant, irreversible sequence, because higher stages depend upon cognitive capacity that is unavailable at lower stages.

This idea of cognitive moral development is not without criticism. Critics point out that Kohlberg focused on rational thinking rather than feeling and caring as a process of decision-making and hence had a bias towards a justice-oriented view of morality that favored males (Gilligan, 1982, 1987). Additionally, there is little evidence to support the existence of higher-level moral reasoning among individuals (Modgil & Modgil, 1986; Wren, 1990). Research has found that most adults are at the conventional level, meaning that their thinking about what is right is largely influenced by rules, laws and significant others in their lives and at their workplace. Fewer than 20 per cent of American adults were found to reach the principled levels of Stages 5 or 6 (Rest et al., 1999), where actions should be more consistent with moral thought. It must also be noted that Stage 6 is considered a theoretically postulated stage only, because empirical evidence of it is rare.

These findings have clear implications for behavioural ethics in organizations. If most adults' thinking about right and wrong are highly susceptible to external influence, then the management of such conduct through attention to norms, peer behavior, leadership, reward systems, climate and culture becomes important. Treviño's (1986) Interactionist Model of ethical decision-making builds on this assumption that the influences of contextual variables on decision-making and behavior depend upon the individual's cognitive moral development, with those at the highest stages being less susceptible to contextual influences.

The correlates of moral judgment include characteristics of ethical issues, particularly the type of harm and the magnitude of consequences and dimensions of an issue's moral intensity (Frey, 2000; Jones, 1991; Weber, 1996). Work environment has also been associated with moral judgment with accounting students and practitioners having lower moral judgment when compared to other professions (Lampe and Finn, 1992). Moral reasoning has also been found to be lower when individuals respond to

work-related dilemmas compared to non-work dilemmas (Weber, 1990; Weber & Wasieleski, 2001). Another contributor of moral judgment is the role of specific individual preferences for relativism and idealism (Forsyth, 1980). Findings that older and more experienced managers reason at a lower level, and that individuals reason at a lower level in response to work-related issues compared to more general ethical issues, seem counter to cognitive moral development theory's proposed hierarchical sequence of moral development.

A number of researchers have considered how the limitations and failures of human information processing may influence moral judgment. This includes work by behavioural economists on cognitive biases. Another stream of investigation by psychologists has been on moral disengagement processes that help cancel out an individual's moral obligation resulting in intentions that support personal self-interest.

Research has established that cancelling out moral obligation can be enabled by disengaging morality from one's judgment. Bandura (1986, 1991) in his social cognitive theory postulated that individuals possess self-directing capabilities that allow them to exercise control over their thoughts, feelings and behavior. This self-regulatory mechanism offers a certain amount of stability in an individual's interaction with his environment. The process of self-regulation is accomplished through a series of sub functions which must be developed and mobilized for effective control to happen.

The first sub function is self-observation – the process through which individuals recognize and identify relevant aspects of their behavior. Such observation of one's own behavior provides the information necessary for setting standards for one's behavior as well as evaluating ongoing changes in behavior. By recognizing how she/he is behaving, the individual takes the first step towards change and improvement in conduct. Judgmental processes provide the individual with information on whether an action will be evaluated as positive or negative when compared against his/her internal standard of behavior. These internal standards are developed through social learning processes like role-modeling, and valuing certain qualities in others that are then used as benchmarks. Observations and evaluations therefore feed into the final stage of the self-regulatory process, i.e. self-reaction. Self-reaction evaluates one's own behavior depending on how it measures up to an internal standard (Bandura, 1986) and thereby influences future behavior. Individuals tend to pursue courses of action that produce positive self-reactions and avoid those that may produce self-censure or condemnation.

Bandura (1981) suggested that an individual's moral reasoning translates into action through the self-regulatory mechanism of moral agency that monitors and controls moral conduct. This regulation of conduct is achieved through the two anticipatory processes of social sanction and self-sanction. The deterrent power of social sanctions can be limited because many transgressions happen in private and hence go undetected by others. Yet, people continue to monitor and regulate their behavior even when there is no threat of external sanction through the anticipatory process of self-sanction. Self-sanctions therefore provide internally directed restrictions on behavior (Bandura, 1991).

In reality, the uses of social sanction and self-sanction operates interactively with the environment of the individual. As the interactionist perspective notes, moral conduct is regulated by reciprocity of influence between thought and self-sanction, conduct and a network of social influences (Bandura, 1991). As long as self-sanctions are more powerful than social sanctions, behavior is kept in line with personal standards. However, when faced with strong external inducements, self-sanctions may be

selectively deactivated to avoid conflict with internal standards. This deactivation enables otherwise considerate individuals to perform self-serving activities that have detrimental social effects. As individuals interchangeably use both self and social sanctions, it is often conducive social conditions rather than inherently evil people that produce acts of cruelty. Bandura noted that given appropriate social conditions even decent, ordinary people can be led to do extraordinarily cruel deeds. The process of moral disengagement (i.e. deactivating self-sanctions) is thus not instantaneous but a gradual one achieved through the release of self-censure.

*Step 3:* The third component, moral motivation also referred to as moral intention is the ability to prioritize moral concerns over competing issues. Moral motivation has been described as a person's "degree of commitment to taking the moral course of action, valuing moral values over other values, and taking personal responsibility for moral outcomes" (Rest et al., 1999, p. 101).

The triggers of moral intention have been found to be both non-conscious and intuitive (e.g., Haidt, 2001; Simon, 1992) as well as based on intentional, effortful, and controllable moral reasoning (e.g., Kohlberg, 1969). The other influencers of moral intention that have been examined include an individual's moral identity (Weaver, 2006; Weaver & Agle, 2002) and affect (Eisenberg, 2000). Affect denotes trait-based positive and negative emotionality, explicit felt emotions such as fear and joy that represent relatively intense reactions to events (Weiss & Cropanzano, 1996), as well as moods that are more diffused, less intense and of a longer duration (Frijda, 1986). Gaudine and Thorne (2001) and Rajeev and Bhattacharyya (2007) have addressed the role of emotions in stages (awareness, judgment, motivation, and behavior) of ethical decision-making.

*Gaps in research:* In this context, the role of moral disengagement in deactivating moral judgment thereby impacting moral intentions has not received adequate attention particularly in business ethics. Moral disengagement has been put forth as an initiator of corruption by both easing and expediting individual unethical decision-making when it helps advance organizational interests (Moore, 2008). It could facilitate organizational corruption by dampening individuals' awareness of the ethical content of the decisions they make. Additionally, it may contribute to the perpetuation of corruption, because if individuals who have a greater propensity to morally disengage are likely to make decisions that advance organizational interests regardless of the ethicality of those decisions, they may also be rewarded for those decisions through organizational advancement. Though this proposition suggests that moral disengagement plays an important role in activating and enabling corruption in organizations, they have not yet been empirically established.

Our understanding of the possible triggers of disengagement in organizational settings is therefore incomplete especially because moral disengagement as an attitude is indisputably interactive in nature (Bandura, 1999) and hence made possible by the organizational context/environment. Further, there is a need to understand how organizational processes facilitate or impede the progression of disengagement among individuals. While the purpose of ethical codes of conduct is to improve the moral sensitivity of employees and help them judge situations morally and finally take ethical decisions, the impact of attitudes like moral disengagement that may neutralize the effect of orientation into ethical codes has unfortunately received scarce attention in ethics research.

*Step 4:* The final component, moral character is the ability to transform intentions into actual behavior. Ego-strength, self-regulation, and self-efficacy all play important roles at this stage. For

instance, all things being equal, people with greater ego-strength are less likely to cheat on a test. People also maintain self-control longer when they focus on positive goals (Mischel & Mischel, 1976). Expectations of efficacy have been found to help people initiate and maintain coping behavior in the face of obstacles (Bandura, 1977) and translate their intentions into action.

The four components of Rest's model influence each other via feed-forward and feedback loops, with cognition, affect, and behavior all playing a role (Moore & Chang, 2006). Further, it must be underlined that moral awareness, judgment, intention and character are not general personality traits but internal processes that must be set in motion for external moral behavior to occur. Researchers have since proposed and tested a wide variety of constructs that influence Rest's four-step process offering integrative models that attempt to describe the components of ethical behavior and their functional dynamics.

### **Ethical Decision-Making in Organization: A Person-Situation Inter-actionist Model – Treviño (1986)**

By factoring in individual and situational differences that can impact moral evaluation and judgment, this model offered by Treviño (1986) introduces an inter-actionist perspective to ethical decision-making. In it, the stages of cognitive moral development as described by Kohlberg interact with individual and situational moderators to influence ethical behavior. Three individual variables namely ego strength, field dependence and locus of control can influence an individual's likelihood of acting on his/her assessment of what is right or wrong. This process of judgment is further moderated by situational variables emanating from the immediate work context and the organization's ethical culture. Finally, the role itself and its moral context can influence the cognitive moral development of the individual decision maker.

The inter-actionist perspective is important for several reasons. First, it clearly recognizes the complexity of ethical decision-making and the numerous factors affecting decision-making in managerial contexts. Second, while recognizing complexity, the model simplifies and groups the expected influences on ethical decision-making into individual and organizational factors. Third, while the theory offers a behavioral model, it clearly recognizes the importance of cognitive processes that precede and explain ethical behavior.

One of the few shortcomings pointed out is that the model fails to include the critical interplay of demographic variables that affect dilemma recognition (e.g. gender, age, organizational status, and previous experience with the ethical dilemma presented) with socio-cultural factors beyond the organization (Pimentel et al., 2010). For instance, gender is likely to have a more substantial impact on ethical decision-making in societal cultures marked by greater gender inequality (Franke et al., 1997), even if the culture of the organization is markedly egalitarian.

On the whole, the inter-actionist perspective offers a comprehensive approach to ethical decision-making in organizational settings that considers, to differing extents and foci, individual, organizational, and environmental factors that impact the evaluation and resolution of ethical issues. However, it does not consider the characteristics of the dilemma itself as a determining factor in ethical recognition, evaluation and decision-making, a limitation which was later addressed by Jones (1991) in his issue contingent approach.

Later, Treviño and Youngblood (1990) proposed and tested a multiple-influences causal model of ethical decision-making and behavior. Social learning, stage of cognitive moral development and locus of control were hypothesized to influence ethical decision-making with outcome expectancies mediating the relationship. Results revealed that ethical decision-making was influenced directly by cognitive moral development and locus of control of individuals while outcome expectancies indirectly impacted ethical decision-making. Further, vicarious reward influenced ethical decision-making indirectly through outcome expectancies. This model however did not find any evidence of the direct impact of vicarious reward or punishment on ethical behavior. Vicarious reward (seeing an ethical behavior being rewarded) influenced ethical behavior primarily through the mediating influence of outcome expectancies.

Vicarious punishment (observing unethical behavior being punished in one's organization) however, did not significantly influence outcome expectancies or behavior, even though "both manipulations were equivalent in strength" (Treviño & Youngblood, 1990, p. 379). The differences in the findings for vicarious reward and punishment may be on account of the fact that to impact behavior vicarious learning has to be noticed and remembered (Bandura, 1986). In the case of vicarious punishment with respect to their study, the authors suggest that the punishment may have been perceived as less harsh than expected and therefore could not be remembered and consequently failed to influence ethical behavior.

Ashkanasy et al. (2006) take the exploration of cognitive moral development and individual differences further by revisiting the "bad apples" (unethical behavior attributed to personal characteristics) and "bad barrel" (organizational or situational variables that trigger misconduct) perspective. They examine how managers' ethical decision-making is likely to be influenced by a combination of personal predispositions and expectations based on organizational cues. Expectations include exposure to unethical practices in the organization and instances when unethical behavior is condoned. They hypothesized that ethical choices would be positively influenced by managers' level of cognitive moral development (measured in three levels: autonomous, accommodating and pragmatic) and negatively by their expectation that the organization condones and even rewards unethical behavior. Further, the direct effect of cognitive moral development (referred to as CMD henceforth) on ethical decision-making was expected to be moderated by managers' belief in a just world and their expectations about the organization.

Results reveal that while the correlation between CMD scores and ethical decision-making was significant (and quite strong), the difference in the ethical choice made by autonomous managers (who have the highest CMD) and those of accommodating managers (who score average on CMD) was not significant. However, the ethical choices made by pragmatic managers (who have the lowest level of CMD) were found to be qualitatively different from the other two and were much more likely than the others to make unethical decisions. While all the three categories of managers were found to be more aware of and sensitive to information on reward systems, the pragmatic managers were most reactive to reward system expectations. Consistent with Kohlberg's (1969, 1976) theory, pragmatic managers were found to take advantage of the fact that the organization often condones unethical behavior. They based their decisions only on the consequences of their actions hence the realization that the organization condones unethical behavior gave them an incentive to behave unethically as well. The study thus provided key empirical support for the inter-actionist perspective by suggesting that individuals respond

to outcome expectancies differently depending upon their level of cognitive moral development. Managers who were autonomous and hence high on CMD made even more ethical decisions when they found themselves in an unethical organizational environment.

*Gaps in research:* If punishments were perceived to be less harsh than expected, they did not induce ethical behavior and absence of punishment logically encouraged unethical conduct. The realization that organizations do not punish unethical behavior is likely to impact employee attitudes and consequently their ethical decision-making. Future studies need to look into the vicarious impact of witnessing peers behave unethically and the condoning of such behavior by their boss on the attitudes of employees and the consequent ethical choices they make. Additionally, autonomous managers have been seen to react in accordance with principle-oriented moral reasoning (Rest & Narváez, 1994). It is reasonable then to raise the question whether greater sensitization and training in ethical codes of conduct (indicating an enhanced cognitive capacity to make a moral judgment) would make managers more ethical in their choices?

Another interesting extension of the inter-actionist perspective has been the inclusion of moral disengagement as an antecedent of ethical decision-making. Detert et al. (2008) advance our understanding of the individual antecedents and decision outcomes of moral disengagement. Six individual differences namely: empathy, moral identity, trait cynicism and locus of control orientation in three forms - internal, chance and power - were examined as antecedents that either increased or decreased moral disengagement, defined as a set of cognitive mechanisms that deactivate moral self-regulatory processes and thereby help explain why individuals often make unethical decisions without apparent guilt or self-censure (Bandura, 1986). Their result supported four individual difference hypotheses, specifically, that empathy and moral identity are negatively related to moral disengagement, while trait cynicism and chance locus of control orientation are positively related to moral disengagement. Two additional locus of control orientations (internal and power) were not significantly related to moral disengagement. One major finding was that moral disengagement is positively related to unethical decision making and plays a mediating role between the individual differences that were studied and unethical decisions.

*Gaps in research:* While Bandura et al. (1996) found high moral disengagers to be less pro-social and more prone to aggression and violent behavior, not many studies have gone into assessing the impact of moral disengagement especially in organizational contexts. Research on moral disengagement has been rather limited particularly in the context of ethical behavior. Though Detert et al. (2008) have found moral disengagement to be positively related to unethical decision-making their study was conducted on students and focused on individual characteristics that affect moral disengagement. There is therefore a need to examine which elements from an organizations context may act as antecedents of moral disengagement among employees and in turn affect their ethical choices.

### **Ethical Decision-Making by Individuals in Organizations: An Issue-Contingent Model- Jones (1991)**

In a significant step toward understanding the many components involved in ethical decision-making, Jones (1991) integrated existing theoretical models of individual decision-making, many of which, when considered alone, appeared incomplete. Noting that explicit consideration of the characteristics of the

issue itself was missing from all the models, Jones offered an issue-contingent model of ethical decision-making. Six characteristics of an issue were considered and collectively labeled as moral intensity, which must be considered while making an ethical decision. Jones' issue-contingent model introduces the notion of moral intensity of the issue to describe a set of measurable characteristics that influence different steps of the ethical decision-making process.

In the framework, the moral intensity of a particular issue which includes six dimensions: concentration of effect, probability of effect, proximity, social consensus, temporal immediacy, and magnitude of consequence will influence all stages of decision-making, rendering the transition between stages contingent upon particular characteristics inherent in the moral issue. In addition to shifting focus from individual and environmental factors to the nature of the dilemma itself, one of the most compelling aspects of this framework is its stepwise approach to decision-making, where each step from issue recognition to behavioral action is affected by individual, organizational, environmental, and issue-specific criterion.

While the moral intensity of an issue is a significant consideration in ethical decision-making, studies in decision-making have considered the differences in perception of "self" with that of "other" as impacting decisions. One such example is found in Kray's (2000) study of the decision-making processes enacted when one is an advisor contrasted with those processes used in making decisions for one. Another example can be found in a study of the desirability of consequences for self and for others (Cole et al., 2000). These studies illustrate that individuals may use different decision-making processes or make different choices based on whether they are personally involved or whether they are an outsider to the decision. Similarly, research has shown that individuals might make different decision choices based on whether they are in a business or non-business situation.

Specifically, Weber (1990) found that individuals use a lower level of moral reasoning when in a business situation than when in a non-business context. In this way, it is seen that an individual may incorporate different decision-making processes when working from the perspective of the organization than they would for their own personal decisions. Morris and McDonald (1995) suggested that future research should include different focuses of moral judgment (e.g., individual, organizational, and/or environmental contingencies). In the ethical decision-making literature, prior studies have considered moral intensity from the viewpoint of the subject (Harrington, 1997; Marshall & Dewe, 1997; Singer & Singer, 1997) or of others (Morris & McDonald, 1995; Singhapakdi et al., 1996; Weber, 1996).

*Gaps in research:* If moral judgment differs in situations of personal consideration from those of organizational significance, further clarification of the ethical decision-making process as well as the antecedents of the decision in both cases is essential. Does the ethicality of a decision depend on whether the end result personally affects the individual decision-maker or impacts his/her organization? Several ethical infractions are committed as they bring a benefit or gain albeit a short term one. So is the decision-making process affected by *a priori* assumption regarding the ultimate beneficiary of the decision? Future studies may take this enquiry forward by examining two orientations of ethical dilemmas (i.e. personal gain and organizational gain) in terms of their impact on unethical choices.

### **A Model of Ethical Decision Making: The Integration of Process and Content – McDevitt *et al.* (2007)**

While the abovementioned models provide a framework to understand ethical decision-making founded on the model of moral action, the process perspective of McDevitt *et al.* (2007) offers an integrated model that combines content variables and extends understanding of how they impact the decision-making process using Janis and Mann's (1977) Conflict Theory Model of Decision-making.

This model identifies antecedent conditions of conflict situations; explains the mediating processes used to make decisions, and suggests the consequences that may ensue. The emphasis is on the process and the content of the information search that a manager might complete when faced with an ethical dilemma. It offers a framework for organizations to develop policies and procedures that can enhance the likelihood of ethical behavior among managers.

The integrated process model brings together three main categories of variables namely antecedent conditions, mediating processes, and decision outcomes. Using the seven steps of Janis and Mann (1977) model, additional information is included. Specifically, the content variables are integrated under antecedent conditions and specify the categories of information that influence the decision. The model thus moves beyond individual variables to include organizational and external environmental variables in the decision-making process. By incorporating critical questions that are to be rated by individuals, the model facilitates assessment of the seriousness of the risk they pose, thereby impacting the decision outcomes. Each step in the process is prompted by circumstances and/or the need to consider additional variables. The decision outcome is the result of the process.

The model is divided into two phases of the decision process. In Phase I, less complex dilemmas can be decided, while more complex problems move the decision maker to Phase II. In Phase II a vigilant information search is required and more complex alternative solutions are considered. The mediating processes of Phase I begin with an assessment of the risk of choosing either the ethical or unethical action. If there is no threat to their jobs, no consideration of a lost bonus, and/or they are confident that their division performance was the best it could be based on the current market conditions, there is no conflict and an ethical outcome results. However, if their professional career objectives demand continued successful performance improvement, managers may see the risks as very serious, move on to the next question, and consider additional variables. The decision maker then moves on to the second question and address the risks of unethical action. If a manager has seen manipulation of operating results go unnoticed in the past, or perhaps be rewarded, assessment of the risks may be minimal. When managers perceive very little conflict, they can slide into an unethical decision.

If it is risky to pursue unethical action, the decision maker must decide if unethical action is justified in this particular situation. The information search can be expanded at this point to include additional variables. Managers may reconsider the role of management and their peers. They may be influenced by their feelings of role-conflict, an undefined organization ethic, or unrealistic company goals. If they can feel justified in this situation, they have prepared a good case of defensive rationalization that will result in an unethical decision. If instead, they cannot justify their actions, they must move on to Phase II or go back to Question I and reconsider their position. Phase II decisions are more difficult to face and complex to think about. Sufficient time is required to consider all relevant variables and affected parties.

*Gaps in research:* This model does offer an integration of both content and process dimensions of ethical decision-making. Its suggestion of mediating variables can be effectively deployed within the Rest (1986) framework. However, there are opportunities to further enhance the utility of this integrated approach. Firstly, the model does not take into account the impact of time on the decision process. Certainly, time constraints will limit the degree and extent of the search and personal reflection on the variables. The impact of time on the decision process, however, can be tested in future empirical research. Secondly, performance pressure, competition and need to out-perform colleagues may present additional constraints on decision-making. They also may help justify unethical behavior by using defensive rationalizations. The antecedents and consequences of such constraints need study. Thirdly, though the model suggests mediating processes for the assessment of the risk of choosing either the ethical or unethical action, it does not offer suggestion on what kind of attitudinal or personality variables could act as possible mediators. This may be studied in future and incorporated into the model.

This review therefore sums up Rest's four-step model of moral action model that hypothesized psychological components underlying every moral act and extends understanding of moral action through the various integrative models built on it. The inter-actionist perspective is then discussed to describe how the stages of cognitive moral development as described by Kohlberg interact with individual and situational moderators to influence ethical behavior. The discussion is taken ahead with Treviño and Youngblood's (1990) multiple-influences causal model wherein social learning, stage of cognitive moral development and locus of control were hypothesized to influence ethical decision-making with outcome expectancies mediating the relationship.

Cognitive moral development and individual differences are deliberated by Ashkanasy et al. (2006) revisiting the "*bad apples*" (unethical behavior attributed to personal characteristics) and "*bad barrel*" (organizational or situational variables that trigger misconduct) perspective which examined managers' ethical decision-making influenced by a combination of personal predispositions and expectations based on organizational cues. Another interesting extension of the inter-actionist perspective has been the inclusion of moral disengagement as an antecedent of ethical decision-making (Detert et al., 2008). With Jones issue-contingent model research attention is directed to characteristics of an issue collectively labeled as moral intensity, which must be considered while making an ethical decision. Finally, McDevitt et al.'s (2007) the process perspective combines content variables with the process of how they impact the decision-making.

While elaborating on the various perspectives on moral action, this review highlights the new possibilities presented by each of them. These research gaps when explored through future research are bound to offer insights that will improve our understanding of moral awareness, evaluation, intention and action.

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