Title

Ethical Decision-Making in the Domain of Whistle-Blowing: How Issue Characteristics Affect Judgments and Intentions

Author

Henik, Erika

Publication Date

2005-10-11

Peer reviewed

Ethical Decision-Making in the Domain of Whistle-Blowing: How Issue Characteristics Affect Judgments and Intentions

Abstract

This study links the literatures on ethical decision-making and whistle-blowing to examine the effects of issue characteristics on the ethicality judgments and behavioral intentions of observers of organizational misconduct. Specifically, it investigates whether Moral Intensity, which has been found to influence a moral agent's judgments and intentions, also influences an observer's judgments and intentions to report acts deemed unethical. We find mixed support for Jones's (1991) issue-contingent model, with some Moral Intensity components more influential than others and with distinct predictors for judgments and intentions. We also find evidence of a two-factor Moral Intensity construct.

Introduction

Popular interest in whistle-blowing resurged following the corporate and government scandals that marked the end of the "dot com" boom and the early 9/11 investigations. When *Time* named three whistle-blowers its "Persons of the Year" at the end of 2002, these women (Sherron

Watkins of Enron, Cynthia Cooper of WorldCom and Colleen Rowley of the FBI) became household names as familiar as the wrongdoers they had exposed (*Time*, December 22, 2002).

Academic interest in whistle-blowing has focused on identifying characteristics of individuals and situations that would predict when a person would blow the whistle (Miceli & Near, 1992). Yet it is easier to identify characteristics that were common to the activities thatWatkins, Cooper and Rowley reported than it is to identify personality traits or organizational forces (e.g., job responsibilities, cultures) that these women shared.

For example, one feature common to the disclosed activities was their catastrophic consequences. The fraud at Enron and WorldCom was so extensive that it led to the collapse of those companies, and FBI officials' negligence in pursuing leads regarding potential terrorists led to missed opportunities to thwart the 9/11 attacks. Another was the certainty that the activities were wrong: Events at Enron and WorldCom were criminal offenses, while those at the FBI were violations of established protocol.

This paper fills a gap in the whistle-blowing literature by looking for predictors of these reports in the characteristics of the wrongdoing itself. We bridge the research communities of ethical decision-making and whistle-blowing by applying the well-tested issue-contingent model of ethical decision-making (Jones, 1991) to several whistle-blowing contexts. We also contribute to scholarly understanding of the issue-contingent model by identifying a two-factor structure to the model's components.

Theory and Hypotheses

Early models of ethical decision-making considered only individual differences or interactions between person and situation variables as predictors. Rest (1986) considered moral development (Kohlberg, 1969) to be a key predictor of an individual's ability to recognize an ethical dilemma and of his/her judgments, intentions and behaviors in ethical situations. Treviño's (1986) interactionist model considered both individual differences and situational/environmental variables (e.g., organizational culture) as moderators of moral judgments. Similarly, Ferrell & Gresham (1985) proposed a contingency framework for ethical decision-making in marketing that incorporated individual and situational/organizational variables.

Jones (1991) supplemented these models by encouraging theorists to add characteristics of the moral issue itself to their frameworks. Jones (1991) argued that an issue's unique attributes shape that issue's Moral Intensity, or moral imperative. Using the Rest (1986) model as his base, Jones (1991) proposed that Moral Intensity informs all four stages of ethical decision-making: recognition of a moral dilemma, making moral judgments, forming moral intentions, and acting on those intentions. Jones (1991) outlined six components of Moral Intensity: the magnitude, or seriousness, of the consequences of an action (MC); the likelihood that these consequences will occur and will have a harmful effect (LC); the concentration of that effect (CE); the temporal immediacy of the consequences (TI); social consensus regarding the ethicality of an action (SC); and the proximity of the victim of an action to the moral agent (PV).

Jones's (1991) issue-contingent model has been tested in many organizational environments and national cultures (see Ford & Richardson, 1994; Frey, 2000; and Lee, Ferrell & Mansfield, 2000, for reviews). The findings are rather consistent that MC and SC are the most potent Moral Intensity components, with TI next and mixed results for the others (see, for example, Chia & Mee, 2000; Frey, 2000; Barnett & Valentine, 2004). Importantly, MC and SC have been found to inform all four stages of Rest's (1986) ethical decision-making model, consistent with Jones's (1991) suggestion.

However, most of these tests have had a first-person focus. That is, they assume only one moral actor: The individual who makes moral judgments about an issue or action is the same individual who undertakes that action. The studies do not consider that individuals often observe others performing actions and form judgments about the ethicality of those actions and intentions about if and how to respond to them.

This paper tests a broader application of the issue-contingent model by adding third-party observers of other individuals' actions. Specifically, it investigates whether Moral Intensity, which was posited to influence the ethical judgments of moral agents, also influences the ethical judgments of observers of wrongdoing committed by other moral agents. Also, the issue-contingent model proposed that Moral Intensity would affect a range of intended and actual behaviors; the current study investigates one particular type of behavior – the reporting of observed wrongdoing, or whistle-blowing.

Whistle-blowing is defined by Near & Miceli (1985:4) as the disclosure by organizational members of "illegal, immoral or illegitimate practices under the control of their employers to persons or organizations that might be able to effect action." This definition includes both reports to authorities outside one's organization and reports to authorities within one's organization using non-prescribed channels (e.g., by circumventing the chain of command). Some scholars (Farrell & Peterson, 1982; Graham, 1986; and Van Dyne, et al., 1995) challenge this broad definition, holding that internal reporters should not be considered whistle-blowers, but we adopt Near & Miceli's (1985) definition for this paper.

Extending the ethical decision-making literature to include whistle-blowing has both theoretical and empirical justifications. On the theoretical front, scholars of organizational dissent in general (e.g., Graham, 1986) and of whistle-blowing in particular (e.g., Miceli & Near, 1992) have conceptualized these phenomena as decision-making processes that involve moral reasoning and are influenced by similar person/situation variables to those considered important in the ethical decision-making literature (e.g., moral development, organizational climate). To the extent that issue characteristics have been proposed to influence a potential whistle-blower's decision-making process, they have echoed the six Moral Intensity components, even though they have not been identified as such. Dozier & Miceli (1985), for example, theorized that the degree of seriousness of a wrongdoing (i.e., MC) is an important consideration for potential reporters

In terms of empirical work, several studies have tested in the whistle-blowing context the person/situation variables that are important to ethical decision-making processes (e.g., Brabeck, 1984; Near & Miceli, 1996). But little research has directly tested the issue-contingent model in

a whistle-blowing context: Singer, Mitchell & Turner (1998) and Chia & Mee (2000) are the only two attempts we have found.

Yet there is reason to believe that the model is applicable here. Miceli & Near (1985) found that the seriousness of a wrongdoing, operationalized as its dollar value, was positively related to whistle-blowing activities among U.S. government employees. Miceli, Near & Schwenk (1991) found that auditors who blew the whistle to external authorities were more likely to report serious violations. These results anticipated Singer, Mitchell & Turner's (1998) finding that issue seriousness (MC) significantly affected intentions to report a perceived wrongdoing.

Turning to PV, Miceli & Near (1985) found that whistle blowing was more likely when the observer and the victim of wrongdoing were in the same workgroup. The externally reporting auditors in Miceli, Near & Schwenk (1991) were more likely than inactive observers to believe that the wrongdoing harmed their co-workers. And Trevino & Victor (1992) found that the best interest of one's workgroup positively influenced decisions to report theft or fraud. These findings again anticipated Singer, Mitchell & Turner (1998), for whom ethicality judgments predicted felt empathy for victims, which predicted whistle-blowing intentions, only when PV was high.

As for LC, marketing managers in Fritzsche & Becker (1984) cited the risk that activities described in a vignette would cause injury or death as a justification for blowing the whistle on those activities. Near & Miceli (1996) found that the frequency of an observed wrongdoing was related to whistle-blowing behavior; the consequences of more frequent activities may be easier

to predict based on past experience. Chia & Mee (2000) found a marginal effect for LC on moral issue recognition, but no effect on behavioral intentions.

Finally, Callahan & Collins (1992) found more support for legal protection against retaliation for whistle-blowing when the reported activities were illegal, rather than unethical, suggesting an effect for SC.

Based on this previous work, we predict that Moral Intensity will be positively associated with judgments of unethicality and with intentions to blow the whistle. These outcomes correspond to the second and third components of Rest's (1986) ethical decision-making model, making moral judgments and forming moral intentions. Jones (1991) argued that Moral Intensity would influence each of Rest's four components individually and in turn. Finally, we distinguish two measures of intention: the strength of the intention and the intended report target (i.e., recipient).

> ***H1a:*** *Observed activities that are high in Moral Intensity will be judged to be more unethical than will observed activities that are low in Moral Intensity.*
>
> ***H1b:*** *Observed activities that are high in Moral Intensity will be associated with more intentions to blow the whistle internally than will observed activities that are low in Moral Intensity.*
>
> ***H1c:*** *Observed activities that are high in Moral Intensity will be associated with more intentions to blow the whistle externally than will observed activities that are low in Moral Intensity.*

H1d: *Observed activities that are high in Moral Intensity will be associated with intentions to blow the whistle to higher levels of internal authorities than will observed activities that are low in Moral Intensity.*

H1e: *Observed activities that are high in Moral Intensity will be associated with intentions to blow the whistle to greater numbers of external authorities than will observed activities that are low in Moral Intensity.*

Jones (1991) posits that both perceived and objective Moral Intensity should predict judgments and intentions. Morris & McDonald (1995) go further, arguing that perceived Moral Intensity is more important than objective Moral Intensity, and find some support for their claim. Thus,

H2a: *Higher Moral Intensity ratings will predict higher judgments of unethicality.*

H2b$_1$: *Higher Moral Intensity ratings will predict stronger intentions to blow the whistle internally.*

H2b$_2$: *Higher Moral Intensity ratings will predict stronger intentions to blow the whistle externally.*

H2c$_1$: *Higher Moral Intensity ratings will predict intentions to blow the whistle to higher levels of internal authorities.*

H2c$_2$: *Higher Moral Intensity ratings will predict intentions to blow the whistle to greater numbers of external authorities.*

Finally, both Rest (1986) and Jones (1991) suggest that moral judgments may predict moral intentions. Thus,

H3a$_1$: *Higher judgments of unethicality will predict stronger intentions to blow the whistle internally.*

H3a$_2$: *Higher judgments of unethicality will predict stronger intentions to blow the whistle externally.*

H3b$_1$: *Higher judgments of unethicality will predict intentions to blow the whistle to higher levels of internal authorities.*

H3b$_2$: *Higher judgments of unethicality will predict intentions to blow the whistle to greater numbers of external authorities.*

Method

Participants

A sample of 176 working adults (133 men, 43 women) was solicited via e-mail to participate in an online scenario study. These adults were either enrolled in, or recent graduates of, a part-time executive MBA program at a large U.S. university. Participation was 100% voluntary, and no incentives were offered for responses.

Ninety-five (95) of the targeted participants completed usable surveys (63 men, 32 women), for a response rate of 54%. The respondents ranged in age from their late 20s to 55, with 45% aged 31-35. One-third of respondents had 6-10 years' experience in their professions, with another third at 11-15 years' experience, and almost half had worked in their current jobs for 1-5 years. The age and work history mixes of the respondents are roughly equivalent to those of the non-respondents, so we believe the risk of systematic response bias is minimal.

Procedure & Study Design

Scenarios and vignettes are commonly used in studies of individual ethical decision-making (e.g., Barnett & Valentine, 2004; Fritzsche & Becker, 1984). Participants in this study were asked to read a series of seven short scenarios describing activities that they must imagine they have observed at work. Participants randomly received either a high-intensity version or a low-intensity version of each scenario. The intensity varied from scenario to scenario, such that participants were not assigned to all-high-intensity or all-low-intensity conditions. The vignettes were counterbalanced to minimize order effects. As an example, following is the MC scenario:

> *You are the quality control director at a frozen foods producer. You learn that the production department routinely uses meat components that do not meet the standards listed on your company's nutrition information labels. You know that these deviations [could result in severe food poisoning / do not pose any threats to consumers' health] if the product is consumed.*

After reading each scenario, participants provided judgments about the activities described in the story and indicated how they believe they would behave if they had witnessed them in person. The order of the judgment and behaviorial intention questions was randomized to minimize order effects.

Dependent Measures

Moral judgments. Participants used seven-point Likert-type scales to provide judgments of individual Moral Intensity components and of the overall unethicality of the activities described. Specifically, participants were asked to rate their agreement with eight statements like, "Most people would believe that the activities are wrong" (to measure SC) and "The activities are unethical" (to measure overall unethicality). The text of these statements was based on Paolillo & Vitell (2002).

Behavioral intentions. Participants' behavioral intentions were measured with two questions. To assess intention to report internally, participants indicated "how high up the corporate hierarchy [they] would go, if necessary, to report the activities described in the scenario." The eight choices ranged from "I would not report the activities to anyone inside the company" to "The Board of Directors," and participants made one selection per scenario.

To assess intention to report externally, participants indicated the "external entities to which [they] would report the activities described in the scenario." The five options included the news media, a regulatory or government agency and a law enforcement agency, and participants could

select as many entities as they wanted. Both reporting questions also offered an "Other" option, where respondents could insert authorities not found among the selections.

Controls. Beyond the demographic data referenced above, three individual difference variables were included as controls. First, because socially desirable responses are a risk in studies that rely on self-reports, participants completed 10 items from the Social Science and Law section of the Overclaiming Questionnaire (OCQ: Paulhus, Harms, Bruce & Lysy, 2003). The OCQ is a concrete, objectively scored indicator of self-enhancement. Participants rated their familiarity with each of 10 terms on a scale of 1-5; three of the terms were foils (i.e., they do not exist).

Second, participants completed the Mach IV's seven-item duplicity factor (Christie & Geis, 1970; Robinson & Shaver, 1973) because previous research suggests that Machiavellianism covaries with unethical behavior (Hegarty & Sims, 1978) and influences ethical decisions (Cyriac & Dharmaraj, 1994).

Third, participants completed the 10-item Submissiveness to Organizational Authority Scale (SOAS: DeZoort & Roskos-Ewoldsen, 1997). The SOAS measures individuals' attitudes toward *illegitimate* requests from authority, that is, those requests that might pose ethical conflict or risk. McCutcheon (2000) found no relationship between obedience to authority and whistle-blowing. However, obedience to authority is an indicator of Kohlberg's (1969) conventional level of moral reasoning, and moral reasoning has been associated with ethical decision-making (Rest, 1986; Trevino, 1986) and whistle-blowing (Brabeck, 1984; Dozier & Miceli, 1985).

Furthermore, many leading whistle-blowing scholars (Bok, 1980; Elliston, 1982; Near & Miceli, 1985) consider this act to be a challenge to an organization's authority structure.

Results

Manipulation check. We measured sensitivity to the Moral Intensity of each scenario by asking participants to rate (on a seven-point Likert-type scale) their agreement or disagreement with a statement regarding the manipulated variable in that scenario. For example, for the TI scenario, participants rated their agreement with the statement, "The consequences of the activities described in the scenario will appear in the near term." We judged the manipulation to be perceived as intended if the mean for the high-intensity group was higher than the mean for the low-intensity group at the .05 level.

Participants were sensitive to the manipulation in five scenarios ($p < .05$ for MC, TI, PV and LC; $p = .055$ for SC), so data only from these scenarios are used in further analyses and discussion.

Composite scores. We generated composite judgment scores for each respondent by calculating his/her mean rating for each Moral Intensity and unethicality variable across the five scenarios. For example, each respondent's composite MC score represents his/her mean rating on the five MC questions.

We generated composite intention scores as follows: For internal whistle-blowing, we dichotomized the variable that measured internal reporting intentions, such that only participants

who indicated that they would report to authorities outside their department (or the department where the activities occurred) were considered whistle-blowers. Participants who indicated that they would discuss the activities with no one, only with the perpetrators, or only with the perpetrators' supervisors or their own supervisors were deemed inactive observers. This distinction is consistent with Near & Miceli (1985) and with Miceli & Near (1991), who hold that intra-departmental reporting can sometimes be considered organizational citizenship behavior (Organ, 1988) or pro-social behavior (Brief & Motowidlo, 1986). Then, we calculated each respondent's mean score across the five scenarios.

We also dichotomized the variable measuring external whistle-blowing intentions. Participants who professed intentions to report to any of the external targets listed among the answer choices (including "Other" entities, such as customers) were considered whistle-blowers, while participants who indicated that they would not report to any external authorities were deemed inactive observers. Then, we calculated each respondent's mean score across the five scenarios.

For internal whistle-blowing style, we calculated the mean rank of the report target cited by each respondent across the five scenarios. For external whistle-blowing style, we calculated the mean number of external targets cited by each respondent.

All analyses used these composite scores, except for the per-scenario analyses. Table 1 provides correlations among the composite scores and the other variables.

[INSERT TABLE 1 ABOUT HERE.]

Factors. Jones (1991) suggested that the six Moral Intensity components might comprise a single factor. Frey (2000) found support for a single-factor construct, while Singhapakdi, Vitell & Kraft (1996) found a two-factor construct.

We subjected our six composite Moral Intensity variables to a factor analysis with varimax rotation. The Kaiser-Meyer Olkin (KMO) measure of sampling adequacy was 0.68, and a two-factor solution emerged. MC, LC and CE loaded on the first factor, and SC, TI and PV loaded on the second factor (see Table 2). These loadings were close to those of Singhapakdi, Vitell & Kraft (1996), who derived a "potential harm" factor of MC, LC, TI and CE and a "social pressure" factor of SC and PV. We tested our hypotheses using these two factors, as well.

[INSERT TABLE 2 ABOUT HERE.]

Controls. No effect was found for age, gender, experience or tenure. As for overclaiming, we calculated a self-enhancement score for each respondent by counting the number of foils with which he/she claimed some familiarity (following Paulhus & Harms, 2004). Analysis revealed that 23 respondents (or 25%) claimed familiarity with one foil and six respondents (or 6.5%) claimed familiarity with two foils (no one claimed familiarity with all three foils). However, analyses indicated no effect for overclaiming. Therefore, age, gender, experience, tenure and overclaiming are all excluded from further analyses and discussion.

The Effects of Moral Intensity on Judgments and Intentions

H1a predicted that high-Moral Intensity situations will be associated with judgments of lower ethicality than will low-Moral Intensity situations. We conducted five one-way analyses of variance (ANOVAs) on ratings of unethicality, one per scenario. Moral intensity had an association with ethicality judgments only in the MC scenario ($F(3,92) = 11.45$, $p < .01$; see Table 3).

[INSERT TABLE 3 ABOUT HERE.]

H1b predicted that high-Moral Intensity situations will be associated with more internal whistle-blowing intentions than will low-Moral Intensity situations. We conducted five Pearson χ^2 tests, one per scenario. Intentions were measured using the dichotomized technique described above, except that only intentions for the scenario in question were used for each χ^2 test. The association between Moral Intensity and internal whistle-blowing intention was significant in the MC ($\chi^2(1) = 12.76$, $p = .00$), SC ($\chi^2(1) = 6.35$, $p < .05$) and LC scenarios ($\chi^2(1) = 3.78$, $p = .052$) and marginally significant in the PV scenario ($\chi^2(1) = 2.76$, $p < .10$).

H1c predicted that higher-Moral Intensity situations will be associated with more external whistle-blowing intentions than will lower-Moral Intensity situations. For these five Pearson χ^2 tests, associations were found between Moral Intensity and external whistle-blowing intention only in the MC ($\chi^2(1) = 14.81$, $p = .00$) and SC ($\chi^2(1) = 8.36$, $p < .01$) scenarios.

H1d and H1e pertained to the relationship between Moral Intensity and intended whistle-blowing styles. H1d predicted that high-Moral Intensity situations will be associated with intentions to report to higher-ranking internal authorities than will low-Moral Intensity situations. We conducted five one-way ANOVAs on the rank of the intended internal whistle-blowing target, one per scenario. Moral intensity had a significant association with rank in the MC ($F(3,92) = 16.93$, $p = .00$) and SC scenarios ($F(3,91) = 6.72$, $p < .05$) and a marginal association in the LC scenario ($F(3,86) = 3.30$, $p = .073$; see Table 4).

H1e predicted that high-Moral Intensity situations will be associated with intentions to report to more external authorities than will low-Moral Intensity situations. We conducted five one-way ANOVAs on the number of intended external whistle-blowing targets, one per scenario. Moral intensity had a significant association with the number of intended targets in the MC ($F(3,92) = 5.60$, $p < .05$), SC ($F(3,91) = 9.37$, $p < .01$) and PV scenarios ($F(3,86) = 4.42$, $p < .05$) and a marginal association in the LC scenario ($F(3,86) = 3.60$, $p = .061$; see Table 4).

[INSERT TABLE 4 ABOUT HERE.]

The Effects of Perceived Moral Intensity on Judgments and Intentions

H2a predicted that higher perceived moral intensity would lead to higher judgments of unethicality. We tested this relationship using Ordinary Least Squares (OLS) regression; unethicality judgments were the dependent variable, and Moral Intensity ratings for each of the six components were the predictors. Machiavellianism and SOAS were included as controls.

The regression model was significant ($F(8,87) = 8.05$, $p = .00$), with an adjusted R^2 of .37. Results show that higher ratings of SC ($\beta = 0.40$, $p = .00$) and PV ($\beta = 0.15$, $p < .09$) raised unethicality judgments, while higher ratings of CE ($\beta = -0.37$, $p < .01$) and higher scores on Machiavellianism ($\beta = -0.18$, $p < .05$) and SOAS ($\beta = -0.14$, $p < .10$) lowered them.

The model using the derived Moral Intensity factors was also significant ($F(4,91) = 10.95$, $p = .00$) and had an adjusted R^2 of .30. Here, higher scores on both factors were predictive of higher unethicality judgments (Factor 1 $\beta = 0.25$, $p < .01$; Factor 2 $\beta = 0.50$, $p = .00$), with Machiavellianism an inhibitor ($\beta = -0.21$, $p < .02$) (see Table 5).

[INSERT TABLE 5 ABOUT HERE.]

$H2b_1$ and $H2b_2$ predicted that individuals who make higher Moral Intensity judgments will profess more intention to blow the whistle internally and externally, respectively, than will individuals who make lower Moral Intensity judgments. We tested this relationship using OLS regression, using intentions to report internally and externally, respectively, as the dependent variables.

No individual Moral Intensity components had a significant effect on internal reporting intentions. Higher scores on the first Moral Intensity factor (MC-LC-CE) did predict stronger internal reporting intentions ($\beta = 0.23$, $p < .05$), but the second factor (SC-TI-PV) had no effect. We note, though, that the adjusted R^2 of this model was low, at .06 ($F(4,91) = 2.40$, $p = .056$). The same pattern of results held for external reporting intentions, with the individual Moral

Intensity components having no effect and only the first Moral Intensity factor having an effect ($\beta = 0.25$, $p < .05$). Here, too, the adjusted R^2 of the factor model was low, at .05 ($F(4,91) = 2.32$, $p = .062$) (see Table 6).

[INSERT TABLE 6 ABOUT HERE.]

$H2c_1$ and $H2c_2$ predicted that individuals who make higher Moral Intensity judgments will profess intentions to report to higher internal organizational authorities and to more external authorities, respectively, than will individuals who make lower Moral Intensity judgments. We tested these hypotheses using OLS, as well. The dependent variable was the rank of the internal target ($H2c_1$) or the number of external targets ($H2c_2$) cited. Moral Intensity ratings for each of the six Moral Intensity components remained the predictors. Again, Machiavellianism and SOAS were included as controls.

No individual Moral Intensity components had a significant effect on the rank of intended internal whistle-blowing targets. The two-factor model was significant ($F(4,91) = 3.47$, $p < .05$), but the adjusted R^2 was low, at .09. Higher scores on the first Moral Intensity factor (MC-LC-CE) did predict higher internal reporting intentions ($\beta = 0.31$, $p < .05$), but the second factor (SC-TI-PV) had no effect. SOAS had a marginal dampening effect ($\beta = -0.17$, $p < .10$). The same pattern of results held for external targets, except with no effect for SOAS in the factor model (see Table 7).

[INSERT TABLE 7 ABOUT HERE.]

The Effects of Perceived Unethicality on Intentions

OLS revealed no significant relationships between unethicality judgments and intentions to report internally ($H3a_1$) or externally ($H3a_2$) or between unethicality judgments and the rank of intended internal targets ($H3b_1$) or the number of intended external targets ($H3b_2$).

Discussion

Our study found mixed support for the issue-contingent model in a whistle-blowing context. Some Moral Intensity components were found to be related to both judgments and intentions, others were found to be related to either judgments or intentions, but not both, and still other components had no effect at all. The components' effects also varied depending on whether Moral Intensity was objectively manipulated or subjectively assessed (Morris & McDonald, 1995). Finally, the components formed two clusters, rather than the one cluster proposed by Jones (1991), and seemed to have stronger effects as clusters than individually.

MC was the most consistent determinant of both judgments and intentions when Moral Intensity was objectively manipulated. SC was a consistent predictor of intentions only. These results echo many prior findings that MC and SC influence one or both of the judgment and intention stages of EDM (Barnett & Valentine, 2004; Frey, 2000; Chia & Mee, 2000; Singer, Mitchell & Turner, 1998; Davis, Johnson & Ohmer, 1998; Harrington, 1997). They are also consistent with findings from the whistle-blowing literature that reporting is positively related to MC (Miceli, Near & Schwenk, 1991; Miceli & Near, 1985).

LC and PV were weakly and intermittently related to intentions, but not to judgments, when Moral Intensity was objectively manipulated. This dual finding – that LC and PV are weaker predictors than MC and SC and that they are predictive of intentions but not beliefs – is consistent with Frey (2000), Singer, Mitchell & Turner (1998), Davis, Johnson & Ohmer (1998) and Fritzsche & Becker (1984). It also jibes with whistle-blowing results that have shown a positive relationship between PV and LC and reporting behaviors (Near & Miceli, 1996; Trevino & Victor, 1992; Miceli, Near & Schwenk, 1991; Miceli & Near, 1985).

SC and PV predicted unethicality judgments when Moral Intensity was subjectively assessed. This outcome contrasts with the case where Moral Intensity was objectively manipulated, as SC and PV did not affect judgments then. CE was a significant inhibitor of unethicality judgments, an unexpected finding that contradicts the issue-contingent model. No effect was found for MC, which is surprising in light of the strong and consistent effect this variable exhibited in the objective-manipulation case and in prior studies (Barnett & Valentine, 2004; Butterfield, Trevino & Weaver, 2000; Frey, 2000; Chia & Mee, 2000; Singer, Mitchell & Turner, 1998; Harrington, 1997). TI also demonstrated no significant effects. This suggests to us that, in the context of whistle-blowing, judgments of right-and-wrong and response plans may be independent of any sense of urgency related to the timing of consequences. No individual components exhibited an effect on intentions when Moral Intensity was subjectively measured.

Consistent with Singhapakdi, Vitell & Kraft (1996), we found a two-factor structure for perceived Moral Intensity. In our case, though, TI fell into the second factor, rather than the first. Given this, our second factor might be better named "social/temporal pressure."

Both factors were related to judgments, but only the "potential harm" factor was related to intentions. This finding suggests that temporal and interpersonal considerations help shape opinions but that outcome-related concerns are more potent once moral minds are made up. Also, the fact that our "social/temporal pressure" factor had a stronger and more significant effect than our "potential harm" factor on unethicality judgments presents a challenge to Singhapakdi, Vitell & Kraft (1996), who asserted that issue contingencies related to consequences would be more closely associated with ethical judgments than those related to social pressure.

As for intentions, our finding that individual Moral Intensity components were not predictive of any intended behaviors, while the "potential harm" factor was a consistent predictor, suggests that generalized impressions of potential harm may be more important than specific details in predicting response strategies. This possibility is consistent with Barnett & Valentine's (2004) finding that Moral Intensity components are more important as a whole than individually. We note that no individual "potential harm" component demonstrated an effect on judgments either, but the clustered factor did.

We found effects for two individual differences on judgments. Machiavellianism was associated with lower judgments of unethicality (consistent with Cyriac & Dharmaraj, 1994), though not

with behavioral intentions (in contrast to Hegarty & Sims, 1978). SOAS was also related to lower judgments of unethicality, but not to intentions (consistent with McCutcheon, 2000).

Finally, judgments exerted no effect whatever on behavioral intentions. This finding supports Jones's (1991) claim that Moral Intensity independently influences each stage of ethical decision-making. However, it is inconsistent with Rest's (1986) progressive model, which posited that each stage of ethical decision-making influences outcomes in the next stage.

Limitations

We acknowledge some limitations of the scenario study format. First, participants are asked to indicate their intentions to respond to hypothetical situations, rather than to recall their actual responses to past events or to respond in real-time to unfolding situations. However, Fishbein & Azjen (1975) argued that intentions are most accurate predictors of behavior. As for participants' unethicality judgments in response to the hypothetical vignettes, Davis, Johnson & Ohmer (1998: 386) point out that "individuals regularly make moral judgments based on incidents they have heard or read about." There is no reason to believe that the judgments participants offered in this study would be substantially different from the judgments they would make if they encountered these scenarios naturally in the real world.

Second, the scenario study format relies on self-reported data rather than observed outcomes. This raises the risk that respondents will provide socially desirable answers, rather than their actual judgments and intentions. However, we are confident that social desirability biases were

not a factor in our data, since the majority of respondents (75%) did not claim familiarity with any foils in our OCS control, and our analysis found no systematic differences between these respondents and those who claimed familiarity with either one or two foils.

Another risk of self-reported data is that respondents cannot accurately forecast their behavior. Diekmann, Tenbrunsel & Galinsky (2003) and Woodzicka & LaFrance (2001), among others, have highlighted individuals' tendency to predict more action than they actually undertake. We believe behavioral forecasting challenges could be a factor in our study. The scenarios presented here were based on actual wrongful termination cases against whistle-blowers or against individuals who refused to participate in illegal activities but did not report them. Thus, they were real cases in which either only one person or no persons blew the whistle. Nevertheless, across our five cases, an average of 67% of respondents indicated that they would blow the whistle internally, using our restrictive definition of whistle blowing, while 56% indicated that they would report externally. (No scenario had a whistle-blowing percentage below 37% and 36%, respectively.) This suggests that participants may not be able to imagine accurately their responses to real situations.

Because participants in this study were adults working in a broad range of industries, we have less reason to be concerned about risks to generalizability than if we had solicited undergraduate or full-time MBA students. However, we recognize that our participants were all white-collar workers who were either already managers or on a managerial track, so our results may not be representative of blue-collar or lower-level white-collar workers.

Future Directions

Jones (1991) and those who have empirically tested his issue-contingent model did not anticipate that different Moral Intensity components would predict judgments versus intentions, yet our study found this to be the case. For example, our study found a limited role for social/temporal forces in predicting intentions. However, the voice (Hirschman, 1970), dissent, whistle-blowing and bystander intervention (Latané & Darley, 1968a; 1968b) literatures all posit a role for social forces in determining behaviors. Given Fishbein & Azjen's (1975) contention that intentions are most accurate predictors of behavior, these forces' lack of effect on intentions in this study raises questions about their effect on actual behaviors. Therefore, we recommend further work into the distinct effects of the "potential harm" and "social/temporal" elements of Moral Intensity.

We also advocate future work into the factor structure of the Moral Intensity components. The jury is still out regarding whether Moral Intensity comprises one or two factors. Our study provides support for a two-factor structure and an early indication of the ethical decision-making stages at which each factor is most active.

References

Barnett, T., & Valentine, S. (2004). Issue contingencies and marketers' recognition of ethical issues, ethical judgments and behavioral intentions. *Journal of Business Research, 57,* 338-346.

Bok, S. (1980). Whistle-blowing and professional responsibilities. In P. Callahan & S. Bok (Eds.), *Ethics Teaching in Higher Education* (pp. 277-295). New York: Plenum Press.

Brabeck, M. (1984). Ethical characteristics of whistle-blowers. *Journal of Research in Personality, 18,* 41-53.

Brief, A. P., & Motowidlo, S. J. (1986). Prosocial organizational behaviors. *Academy of Management Review, 11,* 710-725.

Butterfield, K. D., Trevino, L. K., & Weaver, G. R. (2000). Moral awareness in business organizations: Influences of issue-related and social context factors. *Human Relations, 53,* 981-1018.

Callahan, E. S., & Collins, J. W. (1992). Employee attitudes toward whistleblowing: Management and public policy implications. *Journal of Business Ethics, 11,* 939-948.

Chia, A., & Mee, L. S. (2000). The effects of issue characteristics on the recognition of moral issues. *Journal of Business Ethics, 27,* 255-269.

Christie, R., & Geis, F. L. (1970). *Studies in Machiavellianism*. New York: Academic Press.

Cyriac, R., & Dharmaraj, R. (1994). Machiavellianism in Indian management. *Journal of Business Ethics, 13,* 281-286.

Davis, M. A., Johnson, N. B., & Ohmer, D. G. (1998). Issue-contingent effects on ethical decision making: A cross-cultural comparison. *Journal of Business Ethics, 17,* 373-389.

DeZoort, T., & Roskos-Ewoldsen, D. R. (1997). The submissiveness to organizational authority scale as a measure of authoritarianism. *Journal of Social Behavior and Personality, 12,* 651-670.

Diekmann, K. A., Tenbrunsel, A. E., & Galinsky, A. D. (2003). From prediction to self-defeat: Behavioral forecasting, self-fulfilling prophecies, and the effect of competitive expectations. *Journal of Personality and Social Psychology, 85,* 672-683.

Dozier, J. B., & Miceli, M. P. (1985). Potential predictors of whistle-blowing: A prosocial behavior perspective. *Academy of Management Review, 10,* 823-836.

Elliston, F. A. (1982). Anonymity and whistle-blowing. *Journal of Business Ethics, 1,* 167-177.

Farrell, D., & Petersen, J. C. (1982). Patterns of political behavior in organizations. *Academy of Management Review, 7,* 403-412.

Ferrell, O. C., & Gresham, L. G. (1985). A contingency framework for understanding ethical decision making in marketing. *Journal of Marketing, 49,* 87-96.

Fishbein, M., & Azjen, I. (1975). *Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research*. Reading, MA: Addison-Wesley.

Ford, R. C., & Richardson, W. D. (1994). Ethical decision making: A review of the empirical literature. *Journal of Business Ethics, 13,* 205-221.

Frey, B. F. (2000). The impact of moral intensity on decision making in a business context. *Journal of Business Ethics, 26,* 181-195.

Fritzsche, D. J., & Becker, H. (1984). Linking management behavior to ethical philosophy: An empirical investigation. *Academy of Management Journal, 27,* 166-175.

Graham, J. W. (1986). Principled organizational dissent: A theoretical essay. In B. M. Staw & L. L. Cummings (Eds.), *Research in Organizational Behavior* (Volume 8, pp. 1-52). Greenwich, CT: JAI Press.

Harrington, S. (1997). A test of a person-issue contingent model of ethical decision making in organizations. *Journal of Business Ethics, 16,* 363-375.

Hegarty, W., & Sims, H., Jr. (1978). Some determinants of unethical decision behavior: An experiment. *Journal of Applied Psychology, 63,* 451-457.

Hirschman, A. O. (1970). *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. Cambridge, MA: Harvard University Press.

Jones, T. M. (1991). Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of Management Review, 16,* 366-395.

Kohlberg, L. (1969). Stage and sequence: The cognitive-developmental approach to socialization. In D. A. Goslin (Ed.), *Handbook of Socialization Theory and Research* (pp. 347-480). Chicago: Rand-McNally.

Latané, B., & Darley, J. M. (1968a). Bystander intervention in emergencies: Diffusion of responsibility. *Journal of Personality & Social Psychology, 8,* 377-383.

Latané, B., & Darley, J. M. (1968b). Group inhibition of bystander intervention in emergencies. *Journal of Personality & Social Psychology, 10,* 215-221.

Loe, T. W., Ferrell, L., & Mansfield, P. (2000). A review of empirical studies assessing ethical decision making in business *Journal of Business Ethics , 25,* 185-204.

McCutcheon, L. E. (2000). Is there a "whistleblower" personality? *Psychology: A Journal of Human Behavior, 37,* 2-9.

Miceli, M. P., & Near, J. P. (1985). Characteristics of organizational climate and perceived wrongdoing associated with whistle-blowing decisions. *Personnel Psychology, 38,* 525-544.

Miceli, M. P., & Near, J. P. (1991). Whistle-blowing as an organizational process. In A. Bacharach, E. J. Lawler, S. B. Bacharach & D. Torres (Eds.), *Research in the Sociology of Organizations* (pp. 139-200). Greenwich, CT: JAI Press.

Miceli, M. P., & Near, J. P. (1992). *Blowing the Whistle: The Organizational and Legal Implications for Companies and Employees*. Lexington, MA: Lexington Books.

Miceli, M. P., Near, J. P., & Schwenk, C. (1991). Who blows the whistle and why? *Industrial and Labor Relations Review, 45,* 113-130.

Morris, S. A., & McDonald, R. A. (1995). The role of moral intensity in moral judgments: An empirical investigation. *Journal of Business Ethics, 14,* 715-726.

Near, J. P., & Miceli, M. P. (1985). Organizational dissidence: The case of whistle-blowing. *Journal of Business Ethics, 4,* 1-16.

Near, J. P., & Miceli, M. P. (1996). Whistle-blowing: Myth and reality. *Journal of Management, 22,* 507-526.

Organ, D. W. (1988). *Organizational Citizenship Behavior: The Good Soldier Syndrome*. Lexington, MA: Lexington Books.

Paolillo, J. G. P., & Vitell, S. J. (2002). An empirical investigation of the influence of selected personal, organizational and moral intensity factors on ethical decision making. *Journal of Business Ethics, 35,* 65-74.

Paulhus, D. L., & Harms, P. D. (2004). Measuring cognitive ability with the overclaiming technique. *Intelligence, 32,* 297-314.

Paulhus, D. L., Harms, P. D., Bruce, M. N., & Lysy, D. C. (2003). The over-claiming technique: Measuring self-enhancement independent of ability. *Journal of Personality and Social Psychology, 84,* 898-904.

Rest, J. R. (1986). *Moral Development: Advances in Research and Theory*. New York: Praeger Publishers.

Robinson, J. P., & Shaver, P. R. (1973). *Measures of Social Psychological Attitudes*. Ann Arbor, MI: Institute for Social Research.

Singer, M., Mitchell, S., & Turner, J. (1998). Considerations of moral intensity in ethicality judgements: Its relationship with whistle-blowing and need-for-cognition. *Journal of Business Ethics, 17,* 527-541.

Singhapakdi, A., Vitell, S. J., & Kraft, K. L. (1996). Moral intensity and ethical decision-making of marketing professionals. *Journal of Business Research, 36,* 245-255.

Time (2002). "Persons of the Year." December 22, 2002.

Trevino, L. K. (1986). Ethical decision making in organizations: A person-situation interactionist model. *Academy of Management Review, 11,* 601-617.

Trevino, L. K., & Victor, B. (1992). Peer reporting of unethical behavior: A social context perspective. *Academy of Management Journal, 35,* 38-64.

Van Dyne, L., Cummings, L. L., & McLean Parks, J. (1995). Extra-role behaviors: In pursuit of construct and definitional clarity (A bridge over muddied waters). In L. L. Cummings & B. M. Staw (Eds.), *Research in Organizational Behavior* (Volume 17, pp. 215-285). Greenwich, CT: JAI Press.

Table 1: Correlation Matrix

	MC		SC		TI		PV		LC		CE		OE	IWB	
MC															
SC	0.20														
TI	0.25	*	0.17												
PV	0.05		0.25	*	0.22	*									
LC	0.64	**	0.24	*	0.22	*	0.19								
CE	-0.44	**	-0.24	*	-0.50	**	-0.20	*	-0.39	**					
OE	0.23	*	0.50	**	0.20	*	0.27	**	0.20		-0.44	**			
IWB	0.30	**	0.05		0.09		0.05		0.25	*	-0.15		0.09		
EWB	0.27	**	0.15		-0.03		0.08		0.25	*	-0.07		0.19	0.49	**

** p < .05; ** p < .01*

Table 2: Two-Factor Structure of Moral Intensity: Results of Principal Components Analysis

Items	Factor 1[a]	Factor 2[b]
MC	0.895	
SC		0.594
TI		0.568
PV		0.803
LC	0.818	
CE	-0.605	

[a] Eigenvalue = 1.999, 33.3% of variance explained.

[b] Eigenvalue = 1.561, 26.0% of variance explained.

Table 3: The Effect of Moral Intensity on Unethicality Judgments: ANOVA Results

Scenario	Low	High	df	MS	F	
MC	5.8	6.4	3,92	10.178	11.452	**
	(1.13)	(.66)				
SC	5.9	6.2	3,91	2.911	2.333	
	(1.15)	(1.1)				
TI	6.5	6.6	3,89	0.368	0.419	
	(1.03)	(.84)				
PV	6.2	6.4	3,86	0.492	0.414	
	(1.17)	(1.01)				
LC	5.2	5.5	3,86	0.689	0.377	
	(1.37)	(1.37)				

*† p < .10, * p < .05, ** p < .01*

Standard deviations in parentheses.

Table 4: The Effect of Moral Intensity on Intended Whistle-Blowing Style: ANOVA Results

Rank of Internal Target						
Scenario	**Low**	**High**	**df**	**MS**	**F**	
MC	4.9	6.4	3,92	59.817	16.925	**
	(2.03)	(1.74)				
SC	5.1	6.0	3,91	21.079	6.718	*
	(1.9)	(1.65)				
TI	7.0	6.7	3,89	1.048	0.484	
	(1.4)	(1.55)				
PV	5.5	6.2	3,86	7.491	2.045	
	(2.11)	(1.69)				
LC	4.3	5.2	3,86	13.63	3.296	†
	(2.04)	(2.08)				
Number of External Targets						
Scenario	**Low**	**High**	**df**	**MS**	**F**	
MC	0.49	0.93	3,92	4.944	5.596	*
	(.97)	(.89)				
SC	0.29	0.82	3,91	6.173	9.366	**
	(.51)	(1.)				
TI	1.60	1.29	3,89	1.144	0.909	
	(1.22)	(1.04)				
PV	0.70	1.17	3,86	5.076	4.417	*
	(.77)	(1.27)				
LC	0.53	0.94	3,86	3.031	3.597	†
	(.67)	(1.11)				
† $p < .10$, * $p < .05$, ** $p < .01$						

Standard deviations in parentheses.

Table 5: The Effect of Perceived Moral Intensity on Unethicality Judgments: OLS Results

	β	***t***	***p***	
Machiavellianism	-0.212	-2.43	0.017	*
SOAS	-0.137	-1.57	0.119	
Factor 1 (MC-LC-CE)	0.250	2.88	0.005	**
Factor 2 (SC-TI-PV)	0.501	5.73	0.000	**
Model F(4,91) = 10.95**; adjusted R^2 = .30.				
Machiavellianism	-0.183	-2.21	0.029	*
SOAS	-0.141	-1.70	0.093	†
MC	0.040	0.35	0.724	
SC	0.401	4.61	0.000	**
TI	-0.051	-0.54	0.593	
PV	0.151	1.73	0.088	†
LC	-0.059	-0.53	0.598	
CE	-0.372	-3.60	0.001	**
Model F(8,87) = 8.05**; adjusted R^2 = .37.				
† $p < .10$, * $p < .05$, ** $p < .01$				

Table 6: The Effect of Perceived Moral Intensity on Whistle-Blowing Intentions: OLS Results

Internal WB	**β**	***t***	***p***	
Machiavellianism	-0.160	-1.59	0.116	
SOAS	-0.153	-1.51	0.134	
Factor 1 (MC-LC-CE)	0.234	2.33	0.022	*
Factor 2 (SC-TI-PV)	0.092	0.91	0.367	
Model F(4,91) = 2.40†; adjusted R^2 = .06.				
External WB	**β**	***t***	***p***	
Machiavellianism	-0.137	-1.35	0.179	
SOAS	-0.125	-1.24	0.220	
Factor 1 (MC-LC-CE)	0.254	2.53	0.013	*
Factor 2 (SC-TI-PV)	-0.027	-0.27	0.788	
Model F(4,91) = 2.33†; adjusted R^2 = .05.				
*† p < .10, * p < .05, ** p < .01*				

Table 7: The Effect of Perceived Moral Intensity on Intended Whistle-Blowing Style: OLS Results

Rank of Internal Target	**β**	***t***	***p***	
Machiavellianism	-0.150	-1.51	0.134	
SOAS	-0.173	-1.75	0.083	
Factor 1 (MC-LC-CE)	0.307	3.13	0.002	**
Factor 2 (SC-TI-PV)	0.066	0.66	0.510	
Model F(4,91) = 3.47*; adjusted R^2 = .09.				
Number of External Targets	**β**	***t***	***p***	
Machiavellianism	-0.142	-1.40	0.164	
SOAS	-0.134	-1.33	0.188	
Factor 1 (MC-LC-CE)	0.253	2.52	0.013	*
Factor 2 (SC-TI-PV)	0.067	0.66	0.513	
Model F(4,91) = 2.34†; adjusted R^2 = .05.				
*† p < .10, * p < .05, ** p < .01*				