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CORRELATES OF ETHICAL INTENTIONS: A CRITICAL REVIEW OF EMPIRICAL LITERATURE AND SUGGESTIONS FOR FUTURE RESEARCH

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Introduction

Research efforts have continually been focused on the triggers behind (un)ethical conduct and the cognitive processes individuals use while evaluating dilemmas in order to ascertain why individuals behave unethically in workplaces. These efforts have mainly focused on examining individual characteristics (“bad apples”), moral issues (“bad cases”), and the organizational environment (“bad barrel”) as antecedents of unethical choices (Kish-Gephart et al., 2010). In an attempt to comprehend the complexities of ethical decision-making, this paper reviews literature on a few key constructs used in explaining ethical decision-making, its various antecedents and consequents. Three categories of factors are looked at: individual antecedents, organizational context and the influence of the external environment on ethical intentions for the purpose of developing a coherent and integrated portrait of work done and identifying directions for further research.

Individual Factors

Individual characteristics are of central importance in understanding the level of ethical sensitivity, method of evaluation, ethical intention and finally the action of an individual. Among the several individual variables identified are age, religious beliefs, and gender (Hegarty & Simms, 1978). The level of an individual’s moral maturity has also been found to be important (Kohlberg, 1969; Rest, 1986) as has been an individual’s ego strength (Treviño, 1986). Another significant personal attribute is field dependence or the extent to an individual relies on referent others for direction and guidance when faced with an ethical dilemma (Treviño, 1986). Additional factors that have been studied are:

Internal or External Locus of Control

Internal or external locus of control has been studied as a contributor to decision-making (Forte, 2004). Individuals with an external locus of control believe ethical dilemmas are beyond their control, while those with an internal locus believe that they can control the things around them and hence are willing to take responsibility for their behavior (Treviño, 1986). Research shows that those with an internal locus of control will take action to settle ethical dilemmas and resist social pressure to perform unethical acts (Singhapakdi & Vitell, 1991; Treviño & Youngblood, 1990). Individuals with an internal locus of control have been seen as choosing an ethical alternative more often than those who have an external locus of control who succumb to external pressures (Hegarty & Simms, 1978, 1979).

Machiavellianism

Machiavellianism has an interesting relationship with ethical decision-making. Machiavellians are pragmatic egoistic, and emotionally isolated. As people with this personality trait are hard to persuade and as they favor achievements regardless of means, it is predicted that persons with higher level of Machiavellianism tend to

ground moral judgment on efficiency and value, overall utility over ethics (Giacalone & Knouse, 1990; Hegarty & Sims, 1978, 1979). Singhapakdi and Vitell (1999) found that more Machiavellian managers tended to perceive ethical problems as less serious and were less likely to take corrective action, thus relating Machiavellianism to both low ethical sensitivity and unethical behavior.

Achievement-orientation

Achievement-orientation influenced ethical intentions and behavior as it has been observed that people with a high sense of achievement tended to care more about their job position, designation and power at work. An achievement orientated personality will place his/her interest ahead of ethics when a conflict arises. Aronson and Metee (1968) in their cognitive consistency theory have suggested that ethical behavior is more consistent with a self-perception of high worth. Individuals with confidence in their personal competence exhibited by high self-efficacy would believe they can succeed without using unethical means. General self-efficacy (Bandura, 1977; Schwarzer, 1992) has been identified as an important constituent of ethical behavior. Self-efficacy – a person's perceived control over an event—positively impacts ethical behavior. Jensen and Steven (1990) hypothesized a person's self-efficacy as relating to his ethical behavior in their developmental self-valuing theory. They suggest that people with a low sense of self-efficacy, or self-confidence, may not pursue an ethical course of action which can bring about positive outcomes, if they do not believe that they can do it.

While Beu et al. (2003) deliberated on how hostility and aggression influenced responses to ethical dilemmas; research has shown that individuals with a Type A personality engage in more unethical acts than Type B individuals (Buckley et al., 1998; Perry et al., 1990). This is because a Type A person is typically involved in an aggressive, chronic, incessant struggle to achieve more and more in less and less time and hence would, if required go against the efforts of other people (Friedman & Rosenman, 1974).

Emotions in Ethical Decision-Making

Another avenue that has attracted research interest is the role of emotions in ethical decision-making. Gaudine and Thorne (2001) developed a conceptual model that suggests how individuals experiencing arousal and positive affect resolve ethical dilemmas in a manner consistent with more sophisticated cognitive moral structures. Connelly et al. (2004) undertook an in-basket study of trait emotions (positive and negative) on ethical choices and found active emotions (both positive and negative) to be more strongly related to personally directed ethical choices than to organizationally directed ones. Additionally, passive emotions were less related to ethical choices when compared to active emotions. The drawback of their study is the fact that instead of measuring felt emotion and its impact on ethical choices they actually measure propensity to experience a particular emotion.

Skoe et al. (2002) focused on feelings of individuals while they made an ethical decision to find that important and difficult dilemmas generated greater emotion. Additionally, dilemmas involving significant relationships generated more emotion than weak and impersonal issues and finally emotions were differentially associated with the adoption of care-related as against justice-related moral reasoning.

Additional proof of the role of emotions in ethical decision-making came with Robertson et al. (2007) presenting Executive MBA students with story segments, some of which had moral content, while others had none, based on marketing ethics scenarios developed by Sparks and Hunt (1998). During the study,

participants were asked to indicate (by pressing on a button) whether they were able to “identify an important point or issue” in the story. Data from the neuro-images indicated that parts of the brain registered higher levels of activation when the participants responded to a moral scenario than when they responded to a non-moral or neutral scenario. With respect to ethical behavior, results from neuro-ethics studies that used imaging techniques (to capture the changes in the brain during decision-making) report results consistent with findings from case studies and behavioral experiments. For instance, the brain circuit involving the amygdala and the ventromedial prefrontal cortex was activated to a greater extent when participants acted in an ethically appropriate way, whether it was being compassionate towards an injured individual or aggressive towards a violent assailant in a virtual simulation (King et al., 2006). It can therefore be concluded that the brain processes underlying ethical decision-making appear to be distinct from those underlying other forms of thinking. Ethical decision-making also entails more than just conscious reasoning; it has intuitive and unconscious dimensions. In addition, emotions contribute to ethical decision-making, at least with respect to certain types of moral dilemmas (Salvador & Folger, 2009). While the behavioral consequences of the two emotions of regret and disappointment in terms of ethical decision-making have been proposed (Rajeev & Bhattacharyya, 2007), there is need to test these propositions further.

Gender

Gender and sex role socialization expects females to be dependent, lenient, affectionate, nurturing, respectful, warm, conforming, and obedient, whereas males are expected to be aggressive and independent (Roxas & Stoneback, 2004). As a result, women are more prone to obey the rules of society regardless of the situation, whereas men are more apt to examine the situation in terms of how their actions will affect others and themselves, and may sometimes engage in unethical behavior if the ends appear to justify the means. A number of studies have shown that differences in moral behavior can be partially explained by gender (Bowers, 1964; Buckley et al., 1998; Chonko & Hunt, 1985; Ferrell & Skinner, 1988; Franke et al., 1997; Jones & Gautschi, 1988; McCabe & Treviño, 1997; Ruegger & King, 1992; Whipple & Swords, 1992). Yankelovich (1972) found males and females to have a different moral orientation and claimed women had a greater sense of commitment to doing things for others while men were more pessimistic. Gilligan (1982) expanded further on the difference in moral orientation by gender and suggested that females frame moral questions as problems of care, involving empathy and compassion, while men frame moral questions as problems of justice, rights and fairness. Lyons (1983) and Langdale (1986) continued Gilligan’s conceptualization by referring to female orientation as a “care orientation” while males are cited as having “justice orientation”. Betz and O’Connell (1989) hypothesize that men are more concerned with money and advancement while women were most interested in relationships and helping people. Female attitudes and behaviors were found to be different at the workplace due to the different values they held. Borkowski and Ugras (1998) suggest that the moral development of females occurs in a different context and through different stages than males and these differences may cause dissimilarities in their ethical judgments.

Research has been inconclusive on the impact of gender differences in moral development or levels of ethical sensitivity. McCuddy and Perry (1996), based on a collective look at prior research argue that there is probably only a trivial relationship between gender and ethical attitudes. While Matlin (1993) indicated that there is no difference between men and women in moral and ethical responses, Peterson et al. (2001) add that if there are indeed gender differences, the reasons behind such variations are not clear. Sidani et al. (2009) on

comparing females to males, found significant differences in ethical sensitivity in only four out of eighteen situations where in all cases females were more sensitive than males to issues of an ethical nature, and concluded that gender differences were not as prevalent as claimed in some earlier research.

Gaps in research: With women increasingly populating management positions in many organizations, it is important to understand whether, and how, they differ from men when facing situations with ethical implications. This enquiry would be of particular interest on account of the fact that while considerable improvement in the status of women has occurred in recent decades, several Asian cultures continue to be characterized by a dominant patriarchal social matrix. Thus, for example, boys are often favored over girls and are offered greater opportunity for education and professional development, a value system that is largely to blame for the growing sex imbalance in the population. Despite social, organizational and personal biases on the progression of professional women, women managers have generally been successful in rising to the executive suite in organizations. These women have been successful because of the interplay of organizational and familial support; coupled with the individual drive for success they have demonstrated (Nath, 2000). It would be interesting to examine the ethical content of decisions made by women professionals.

Age

Investigations linking age to ethics have been mixed although most studies have indicated an increase in ethicality with age. Kohlberg (1984) first suggested that age positively affected moral development with adults continuing to progress upwards on the stages of moral development. Barnett and Karson (1989) found that younger respondents acted less ethically in ethics scenarios compared to older respondents. Borkowski and Ugras (1998) conducted a meta-analysis of thirty-five studies that included age as a factor and concluded that attitudes and behaviors seem to become more ethical as people mature in age. Peterson et al. (2001) found that younger participants had lower ethical standards while Wimalasiri (2001) uncovered significant differences between younger and older participants. Younger Chinese executives were more inclined to engage in unethical or even illicit activities for profit than their older counterparts (Chan et al., 2002). But several studies have failed to find age to be a significant variable in explaining moral judgment (e.g., Cortese, 1989; Ekin & Tezolmez, 1999; Kohut & Corriher, 1994; Stanga & Turpen, 1991) or for moral reasoning (Christie et al., 2003; Forte, 2004). Sidani et al. (2009) found age better explained differences in sensitivity to business ethics and awareness of unethical business among men but found no significant difference among women.

Roman and Munuera (2005) offer several explanations on why older employees may be more ethical than younger salespeople for several reasons. First, as age increases, subjects have displayed more conservative and strict ethical tendencies and hold less compromising interpretations of what is to be judged ethical (Sikula & Costa, 1994). Second, ethical decision-making and intended ethical behavior, in general, increases as individuals move from lower levels to higher levels of moral reasoning (Wotruba, 1990) and moral reasoning has been directly linked to age (Rest, 1986). Third, older people would have been exposed longer to ethical dilemmas in non-business contexts (Izzo, 2000); therefore they are more willing to accept and conform to ethical standards and behave accordingly (Serwinek, 1992).

Gaps in research: India is one of the youngest countries in the world with 60 percent of its population less than 24 years of age (A. T. Kearney's Global Retail Opportunity Report, 2007). So India stands to gain from this 'youth bulge' which has created not only a huge potential for retail but also a value-creating workforce. The working population of the country is expected to grow by more than 47 million by 2020. This presents a

great opportunity, but one that can be capitalized only if the capabilities of youth are harnessed properly. In this context, the values that young individuals hold and the organizational environments they are socialized into assume a lot of significance. There is therefore a need to examine differences if any in attitudes and intentions between the younger and older, more experienced employees.

Education

Education has been hypothesized as having a positive influence on ethical behavior. First, it can be argued that the educational process is designed to foster critical thinking and the ability to view a situation from multiple perspectives (Levy & Sharma, 1994). In this context, previous research has found education to be positively related to moral judgment (Rest, 1986; Rest & Thoma, 1985). Similarly, the effect of education on ethical behavior can be supported by Kohlberg's (1969) typology. Education is believed to result in greater sensitivity to different points of view and linked to a person's stage of cognitive moral development (Singhapakdi et al., 1999). A second possible link is the normative view that the core of education itself is virtue or right conduct (Hogness, 1986; Howard, 1986). As Roman and Munuera (2005) suggest, if knowledge is virtue, then education must ennoble individuals and the more educated ought to be more virtuous.

Gaps in research: Developing countries like India are making significant advances in human capital with millions of college graduates and professionals who man companies in both manufacturing and service sectors. With an increase in the level of education of the workforce, it would be interesting to examine whether this advancement is translated into an improvement in decision-making specifically in terms of the ethical content of decisions and actions. Has education brought about better awareness and ethical sensitivity and a resolve to be upright is a subject needs to be investigated.

Organizational Context Factors The organizational context in which an individual operates has many facets. For instance, the organizational culture comprises of shared norms, values, and expectations (Deal & Kennedy, 1999; Schein, 2004) as well as formal codes of ethics that may influence ethical choices (McCabe et al., 1996). The ethical climate made up of the ethicality of the boss or leader, peer pressure and management expectations can influence an individual's judgment (Jones, 1985; Sheidahl, 1986; Stead et al., 1990). In addition, organizational pressures surface in the form of expectations of employee obedience to authority and on whom the responsibility for consequences rests. From an Agency Perspective for instance, responsibility ultimately rests with the executive leadership which also sets the tone of an organization's ethical culture (Treviño & Weaver, 2003; Vitell & Festervand, 1987; Weaver & Treviño, 1999). Competition for scarce resources among employees (Treviño, 1986), pressure to perform and the nature of performance and reward management system have been found to persuade action along ethically dubious courses. Incentives especially can sometimes motivate unethical actions by managers who are under pressure to meet deadlines or financial goals (Carson, 2003; Hunt & Vasquez-Parraga, 1993; Treviño & Weaver, 2003).

Gaps in research: There is relatively less research on the extent to which performance targets exert pressure to perform and how this in turn impacts ethical decision-making. The size of the growing Asian market and their integration with the global economy has made expansion critical for many companies. The impact of this growth on employee performance targets and expectations and ultimately on ethical behavior need study.

Organizational Ethics

Pimentel et al. (2010) in their model provide a comprehensive and simultaneous assessment of the interplay between individual-level variables (e.g. demographic variables, position in the organization), the structure and climate of the organization in which the decisions are made, and the socio-political features of the business environment. They present a decision-making model that can be used to examine ethical decisions in business settings, to investigate potential differences in decision-making accuracy and ethical reasoning between groups and individuals, and can be deployed to examine the impact of changing ethical climates on organizational strategy.

One of their main arguments is centered on the role and significance of organizational ethics. They suggest that the role of compliance to existing codes of conduct and the emphasis on building individual capacity for adequate moral agency constitute the two prevailing paradigms of ethics management in organizations (Maclagan, 2007). The first paradigm highlights the need to put ethics into operation so as to ensure conformity to endorsed practices and standards (Graaf, 2006). The second paradigm presumes that individuals are capable of making autonomous and rational ethical decisions when provided with an adequate array of options and information (Freeman & Francis, 2006). Pimentel et al. (2010) ponder over dilemmas and finally weigh solutions in a context-dependent manner especially as research suggests that managerial responses to ethical decisions are influenced by the ethical stance of the organization (Jones et al., 2007).

Role of Ethical Leadership

Integrating leader behaviors' with organizational values and vision helps create a consistent, coherent, and effective ethical climate. An effective ethical climate is imperative in conveying an accurate shared perception of the manner in which ethical issues are expected to be handled in an organization (Dickson et al., 2001). Ethical leadership will be able to promote value alignment between the organization and its constituents contributing a third ethics management paradigm: value-based ethics. Value-based ethics ensures that multiple organizational members have responsibility for making ethical decisions based on knowledge and internalization of organizational values (Collier & Esteban, 2007). Such a culture place emphasis on the positive outcomes of ethical decisions for individuals, organization, and society, and relies on the integration of organizational systems (e.g. training and performance appraisal) with strong ethical leadership to promote internalization of ethical values among employees and enactment of desired ethical behaviors by them.

From this emerges the critical issue of the role of leaders in value-structuring and ensuring participation in decision-making while furthering norms that support corporate ethics. A positive perception of leaders' ethical conduct among employees is pivotal to the creation of an ethical climate that represents the organization's mission and values (Brown, 2007). This being so, the investigation of leader characteristics and behaviors in relation to organizational values and practices is imperative to better understand the materialization of an organization's ethical climate. Recent research has focused on the topic of ethical leadership and the categorization of ethical leadership behaviors (e.g. Brown et al., 2005; Brown, 2007). Ethical leadership therefore describes how a leader can demonstrate normatively appropriate conduct through personal actions and interpersonal relationships, and consequently encourage ethical conduct among followers by way of two-way communication, reinforcement, and decision-making (Brown et al., 2005).

Researchers have already investigated several leader characteristics (Turner et al., 2002; Weaver et al., 2005) and espoused practices (Burke, 1999; Fuqua & Newman, 2006) that help foster an ethical climate.

Weaver et al.'s (2005) qualitative research findings on the leadership characteristics relevant to ethical role modeling identified a set of behaviors such as support for others, honesty, holding oneself accountable for outcomes and decisions, fairness to others, and ability to articulate personal and organizational ethical standards.

Gaps in research: Search for literature has not come across substantive research on the experiences of Indian employees and the perceptions they hold about the integrity of their bosses though literature on the topic is plentiful in the West. Also the fallout of unethical leader behavior on subordinates warrants attention.

Organizational Characteristics

The extent to which leaders display ethical behaviors will depend on certain organizational characteristics such as the existence of structures that facilitate frequent interactions with their subordinates (Weaver et al., 2005). For instance, the extent to which leadership behaviors are considered normatively appropriate will depend upon the organization's culture, the industry it belongs to, legal considerations, and the larger socio-cultural setting in which the business operates. Ethical leadership requires that specific structural and functional arrangements are in place in the organization to ensure their effectiveness. These include the systemic implementation of ethical codes to facilitate leaders' integration of strategic plans with organizational principles, and the formal assignment of ethical responsibility to individuals and groups based on established codes of conduct to enable corrective action and finally authority to the leader to reward ethical behavior (Fuqua & Newman, 2006).

Gaps in research: There is a benefit in examining if organizational systems and structure can encourage and support ethical leadership so as to arrive at ways of redesigning them for creating a value-based culture.

Role of Peers as Influences on Ethical Behavior

Another dimension that has gained currency as an input into ethical decision-making is the role of peers as influences on ethical behavior (Fritzsche, 1991). This involves taking into account the extent to which members of a group or employees in an organization associate with each other. Zey-Ferrell et al. (1979) and Zey-Ferrell and Ferrell (1982) cited behavior of peers to be an important influence on employees. Their finding led to invoking Sutherland and Cressey's (1970) Differential Association theory as a partial explanation of ethical behavior. This theory posits that an individual tends to adopt and learn behaviors from people he associates with depending on the ratio of contact with those people.

Social learning theory (Bandura, 1986) suggests that a lot of human behavior is learned through the influence of examples and that people do not need to be personally reinforced in order to learn. In fact, most of what we learn is learnt through vicarious processes. Individuals observe others' behavior as well as the outcomes of that behavior. As such, observing peers being unethical and yet be successful at work would naturally increase the tendency of the observer to behave similarly. Peer behavior also provides normative support for cheating — when peers are seen cheating, cheating may come to be viewed as an acceptable way of behaving and of getting ahead (McCabe & Treviño, 1993). It is also possible that observing peers cheating provides license to cheat or even creates competitive pressure to do so. This may happen if the peers who are found committing ethical infractions are seen as being tacitly supported by their bosses or at least not being pulled up. McCabe et al. (2006) found that observed peer behavior was the most important of influences studied for graduate students—even more influential than deterrence-based factors such as the perceived

certainty of being reported and the perceived severity of penalties. On the other hand, it has been observed that when students see their peers taking pledges of personal integrity, educating other students about the importance of academic integrity, and behaving honestly, then cheating was likely to decrease.

Gaps in research: An additional research question would be the generalizability of this inference in a work context especially since employees being older and possibly more mature are less likely to be influenced by peer pressure.

Decision History

Social learning theories also suggest that past decisions impacts future decision-making (Stead et al., 1990). They state that when a particular decision is reinforced, it is bound to influence the decision-making pattern of the individual in future. Thus, if an ethical decision is applauded and appreciated, then the individual would continue to be ethical as that behavior has been reinforced. Over a period of time, the individual develops an ethical decision history making his/her ethical behavior relatively enduring. The uniqueness of ethical decision history lies in the fact that it is both situational on account of being reinforced by the organization as well as individual as it impacts the person's value system and distinctive behavior.

It is a well known management principle that if we desire a certain behavior then we ought to reinforce it. An organization's reinforcement systems hugely influence ethical decision-making. The reinforcement mechanism including the appraisal and performance and reward management systems must identify, appreciate and reward ethical behavior if the organization intends to nurture an ethical climate. Hegarty and Sims (1978, 1979), Worrell et al. (1985) and Treviño (1986) strongly suggest that modifying the performance and reward management system is an effective measure for ensuring ethical behavior. Unfortunately, reward systems implemented by senior management have also been found to encourage subordinates to act unethically, to comply or even cover up management malfeasance (Jones, 1991).

Gaps in research: Firstly, the linkage between organizational reinforcement mechanism and the development of a decision history offers an interesting area of research. Secondly, many companies today use the forced ranking system of performance evaluation. Yet, little study has gone into the ramifications of this system on employee job satisfaction, perceptions of fairness in appraisal and ultimately ethical behavior.

Dimensions of a Job

Stead et al. (1990) recognize dimensions of a job as an important influence on a job incumbent's proneness to misconduct. The more centrally located a job in the communication network of an organization, the more likely is behavior of the incumbent to be ethical (Treviño, 1986). Jobs that involve interface with other agencies and organizations offer greater opportunity for misconduct (Vitell & Festervand, 1987) than jobs that are purely internal. It has further been suggested that organizations generally tend to be more lenient with employees with higher technical skills as they are in short supply and need to be retained when compared to less competent and replaceable ones (Rosen & Adams, 1974).

Gaps in research: The impact of leniency in punishing high performers and those with higher technical skills on other employees as well as the larger ethical culture of the organization needs study.

Ethical Climate

Another significant aspect of organizational context that is reviewed is the strength of an organizations ethical

climate and its influence on ethical decisions of employees. Bartels et al. (1998) carried out a study examining the relationship between the strength of an organization's ethical climate and the problems with its human resource management. Two different dimensions of ethical climate were taken into account: its strength and its direction. The direction is determined through Victor and Cullen's Ethical Climate Questionnaire while strength of the organization's ethical climate was determined by how much control it had over its employees,

i.e. how strongly employees were attached to organizational norms. Strong ethical climates clearly communicate expected behavior and send unambiguous messages about what kind of behaviors are expected and the rewards and punishments that will be used for reinforcement. Such clarity helps employees choose appropriate behaviors when faced with a dilemma, strengthens the ethical climate and ultimately is likely to be more successful in dealing with ethical issues.

Gaps in research: Future research needs to examine the implications of unclear and ambiguous communication of expectations to employees as well as the ramifications of a mixed communication reaching employees in the form of formal codes of behavior accompanied by absence of punishments for unethical behavior. Such ambiguity is bound to confuse employees and how they would then resolve ethical dilemmas needs to be investigated.

Ethical Codes of Conduct

One of the most prominent ways in which ethical conduct is guided and supported by organizations is through formal Ethical Codes of Conduct. Building an ethical organization requires a proactive strategy that aims at institutionalizing ethical behavior by evolving, implementing and internalizing ethical codes of conduct and nurturing an ethical culture to sustain it. An ethical code is a distinct and formal document containing a set of prescriptions developed by and for a company to guide present and future behavior of its managers and employees toward one another, the company, the external stakeholders and /or society in general (Kaptein & Schwartz, 2008) with the purpose of removing ethical ambiguity and providing clear direction for ethical conduct.

Gaps in research: Whether formal ethical codes of conduct by themselves are able to offer clarity in the direction in which a dilemma is to be resolved is open to question. Hardly any research has been devoted to answering this question in India, though several organizations have gone ahead and implemented an ethical code of conduct with gusto.

Influence of the External Environment

Some situational variables that exist outside the organization too can influence ethical behavior of employees. For instance, cross-cultural studies have revealed how differences in societal norms can lead to different ethical practices and decisions (Donaldson & Dumfee, 1999; Sims & Gegez, 2004). Further, a country's legal system and political institutions together make up the environmental influence individuals face while taking difficult decisions. An equally impactful set of external forces facing corporate managers are industry norms and professional codes of conduct. Professional codes are created to give guidance to decision makers facing ethical problems act as deterrents to unethical decisions (Bommer et al., 1987). Personal and family obligations also exist outside the organization and are idiosyncratic to each individual. Their impact on an individual's behavior within an organizational setting can be a powerful motivator for ethical behavior (McDevitt & Van Hise, 2002).

Competitive economic factors are significant in their impact on business decision-making. Such factors can create environmental uncertainty that may lead to unethical business decisions (Morris & McDonald, 1995). Shleifer (2004) using examples of five activities: employment of children, corruption, excessive executive pay, corporate earnings manipulation, and involvement of universities in commercial activities shows that unethical behavior is often a consequence of market competition.

Gaps in research: Excessive executive pay, corporate earnings manipulation could probably be more prevalent in private companies. A comparison of how private and public sector enterprises deal with completion could throw additional light on the impact of competition on ethical behavior of their employees.

This review of empirical literature bases itself on the descriptive model of business ethics focusing on an examination of ethical intentions of managers with a thrust on understanding the role of individual attributes, organizational contexts as well as ethical codes of conduct evolved in organizations that facilitate or impede ethical judgment and ultimately ethical choices. As highlighted in the review, the potential for unethical behavior in business lies everywhere: in individuals, in certain organizational contexts as well as connected to specific issues. It is hoped that the gaps identified will be taken up for further study and improve our understanding of the complex and corrosive phenomenon of immoral business conduct.

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