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A Multidimensional Ethics Scale for Indian Managers' Moral Decision Making

Seema Gupta

Abstract

This paper analyses the role of traditional moral theories in managers' moral decision making using the multidimensional ethics scale (MES) developed and refined by Reidenbach and Robin (1988, 1990). This study extends their work by examining the applicability of the scale to subjects from India, other than the country in which the scale was developed. The research question is: what kind of ethical dimensions do Indian managers reveal when they are making moral decisions. Factor analysis is done to investigate the role of five moral philosophies (justice, deontology, relativism, utilitarianism, and egoism) in their ethical decision-making. The results show that the scale holds for the different sample. A broad-based moral equity dimension consisting of items from justice, relativism, contractualism, and utilitarianism emerged. However, an additional egoism construct emerged in the current as an important factor.

Keywords

Ethics, moral philosophy, multidimensional ethics scale, moral judgment

Introduction

The empirical research on ethical decision is based on the identification and measurement of variables based on ethical theories. The theoretical constructs need to be carefully defined and the methods by which these are measured are to be validated (Cohen et al, 1993). Most of the earlier researches on business ethics were based on presenting subjects with vignettes, and asking them to state on a bipolar scale to state the extent to which they are ethical (Randall and Gibson, 1990). As the business research progressed, efforts were made to develop the scale which can measure the construct "ethical-unethical" scale in more rigorous manner based on ethical theories such as deontological ethics and teleological ethics. Reidenbach and Robin (1988) started the development of a multidimensional ethics scale based on the review of the moral philosophy literature. An individual's moral philosophy is considered a key variable in determining ethical decisions (Ferell and Gresham, 1985; Hunt and Vitell, 1986). Loe et al. (2000) identified moral philosophy as an important factor which has been empirically examined to influence moral decision22-making.

Moral Philosophy

Moral philosophy can be classified into deontology and teleology and that this distinction is vitally important in understanding the nature of ethical theories (Beauchamp and Bowie, 1993). Deontological theories of ethics hold that actions, persons, or motives are to be judged not directly by their consequences but by their conformity to moral rules. What these rules are depends on the particular moral theory in question. In teleological moral theories, actions, persons, or motives are to be judged solely according to the nature of their consequences. The ethical theories relevant for the research task are discussed as follows.

Justice

Contemporary Harvard philosopher John Rawls is known as the father of an ethical theory called distributive justice, which holds that ethical acts or decisions are those that lead to an equitable distribution of goods and services. Based on the principles of Justice, Rawls (1971) proposed that ethics of an act are determined by the degree to which opportunity, wealth, and burden are equally available to all members of society. The individual has the moral obligation to treat people equally unless there is some morally significant difference between them and to distribute goods and opportunities in accordance with people's entitlements.

Contractualism

It refers to the creation of moral of moral codes, or 'social contracts' by agreement. Morals by agreement are an emerging school of thought. A convention is a rule of behavior such that almost everyone conforms, and expects other to also conform. They are not enforced by any authority, and are effectively self-policing. According to Scanlon (1982), "an act is wrong if its performance under the circumstances would be disallowed by any system of rules for the general regulation of behavior which no one could reasonably reject as a basis for informed, unforced general agreement".

Ethical Relativism

Ethical relativists hold that all ethical beliefs and values are relative to one's own culture, feelings, or religion. They are of the opinion that there can be no rational, objective basis for a moral judgment. Instead it is suggested, every person, or perhaps every culture, devises its own set of moral standards, and it does so more or less arbitrarily. The ethical courses of action are determined by the culture a decision maker is working within, such that a decision in one culture may be deemed ethical, while the same behavior under the same circumstances may be judged unethical in another culture. However, one has to be careful to distinguish what people believe is right or wrong from what is right or wrong.

Utilitarianism

The theory most representative of teleological approach is utilitarianism, which seeks as its end the greatest "good" (or utility) for the greatest number. Utilitarianism is one of the influential theories of

normative ethics that directs one to the consequences of one's acts to determine right from wrong. Given a choice between two alternative actions, we ought to do the one to seek the "greatest good for the greatest number" or to "maximize the overall good." An act is ethically right if it leads to a net increase in the overall good; an act is ethically wrong if it leads to a net decrease in the overall good.

Egoism

Egoism contends that an act is ethical when it promotes the individual's best long-term interests. If an action produces a greater ratio of good to evil for the individual in the long run than any other alternative, then that action is ethical. Egoism means one takes the action that results in the greatest good for oneself. Thomas Hobbes (1588-1679), one of the most important philosophical egoists showed human beings are concerned with their own well-being and act accordingly. In Business Ethics, generally normative form of philosophical egoism is referred to. Normative egoism implies how people ought to be by nature egoistic that is, people pursue only their self interest.

This article analyses the role of moral theories using the multidimensional ethics scale in a new cultural context. Cohen et al. (1993) recommended testing the validity of the scale in an international setting, particularly in an Asian culture, where the emphasis on familiar and commutarian values is strong. The research question is: what kind of ethical dimensions do Indian managers reveal when they are making moral decisions. To what extent moral theories such as justice, deontology, relativism, utilitarianism, and egoism influence Indian manager's ethical decision making process. The study is divided into six sections. The first section introduces the research question. The second section describes the multidimensional ethics scale development process and third section discusses the questionnaire and the sample. Section four present results from empirical analysis of data and the fifth section discuss the findings and conclude the study.

Methodology

The study is in two parts. In the first part, the multidimensional ethics scale has been developed reducing the 33 items of the original R & R's 1988 study to a 12-item instrument. In the second, the reliability of this instrument has been tested on a sample of Indian managers.

The multidimensional ethics scale

Multidimensional ethics scale represents the evaluative criteria that individuals use in making a moral judgment (Reidenbach and Robin, 1995). Reidenbach and Robin (1988) initially developed a 33 –item multidimensional ethics scales based on a content analysis of five ethical theories: justice, deontology, relativism, utilitarianism and egoism to measure moral reactions of people. The development of the scale is rooted in moral philosophy literature to explore the manner in which individuals combine aspects of the different philosophies in making moral evaluations. The scale provides insights into the philosophies or rationales that underlie ethical judgements. Use of this scale allows an investigation of not only what the respondent believes, but also why he or she believes it. The scale was later refined into 8-items (Reidenbach and Robin, 1990) that measured three orthogonal constructs: a broad based moral equity dimension which included items relating to the philosophies of justice (fair/unfair, just/unjust), relativism (acceptable/unacceptable to my family), deontology (morally right/not morally right), a relativistic dimensions, which included two relativist items (traditionally acceptable/unacceptable, culturally acceptable / unacceptable) and a contractualism dimensions, which included two deontology items (violates/does not violate an unspoken promise, violates/does not violate an unwritten contract). The average reliability for these scales was 0.80 and there was strong evidence of both discriminant and convergent validity.

Different forms of multidimensional ethics scale have been used in several empirical studies of business studies (Reidenbach and Robin, 1988; Tsalikis and Ortiz-Buonafina, 1990; Cohen et. al., 1993; LaTour, 1995; Cruz et. al., 2000; Kujala, 2001; Rittenburg and Valentine, 2002). Cohen, Pant and Sharp (1993) reduced the original 33 items of Reidenbach and Robin (1998) study to a 15 items instruments following R&R's guidelines and tested the reliability of this instrument on a sample of accounting faculty. The items included in multidimensional ethics scale represented five moral philosophies: justice, deontology, relativism, utilitarianism, and egoism. Tsalikis and Nwachukwu (1998) used the longer 33 item instrument and two of the retail scenarios of the original Reidenbach and Robbin (1988) to determine how black and white U.S. University students differ in their evaluation of business ethics. In a subsequent study (1991), the same authors used a subset of 20 items to examine how U.S. Nigerian business students reacted to six vignettes dealings with bribery and extortion. However, the authors neither questioned nor tested the reliability and validity of the scale used.

Cruz, Shafer and Strawser (2000) investigated professional tax practitioners' ethical judgements and behavioral intentions on the MES dimensions. The multidimensional ethics scale was used to measure the extent to which a hypothetical behavior was consistent with five ethical philosophies i.e. moral equity, contractualism, utilitarianism, relativism, and egoism. Kujala (2001) used the multidimensional scale to analyze Finnish managers' attitudes toward moral dilemmas. The scale consisted of 17 statements: justice- two items, deontology- four items, relativism- four items, utilitarian- four items, and egoism –three scale items.

Cohen et al. (1993) argued to construct and validate Robin and Reidenbach's (1988) original multidimensional scale for each application. For the purpose of the study, the scale was developed by comparing the scales used in above mentioned seven previous studies, selecting those items that have been used and found relevant in these studies (see Appendix A). The similar method of developing the multidimensional scale was used in Kujala's (2001) study while investigating Finnish business manager's moral decision-making.

Justice scale

In the original 30-item ethics scale, the justice scale included three items: "Just," "Fair", and "Result in an equal distribution of good and bad." From these three items, "Just" item was used in five earlier studies and the "Fair" item was used in all seven studies. Hence two items (Just and Fair) were selected in the final scale.

Relativist scale

The original relativist scale consisted of five items: "Culturally acceptable," "Individually acceptable," "Acceptable to people I admire," "Acceptable to my family," and "Traditionally acceptable." From these three items "Culturally acceptable" and "Acceptable to my family (used in seven studies) and "Traditionally Acceptable (used in six studies) were selected. The two items "Culturally Acceptable" and "Traditionally Acceptable" were combined

as one item "Generally Acceptable" for the purpose of this study since it was found to be more suited to speaking language of Indian executives. So, two items of relativist scale (Generally acceptable and Acceptable to my family) were selected.

Contractualism scale

The original Contractualism scale consisted of six items: "Violates an unwritten contract," "Violates my idea of fairness," "Duty bound to act this way," "Morally right," "Obligated to act this way," and "Violates an unspoken promise." The item "Violates an unwritten contract" was used in all seven studies. The items "Violates an unspoken promise" and "Morally right were used in six studies. So, three items of Contractualism scale (Violates an unwritten contract, Violates an unspoken promise, and Morally right) were selected.

Utilitarian scale

The original utilitarian scale included nine items: "Efficient," "O.K. if actions can be justified by their consequences," "Compromises an important rule by which I live," "On balance, tends to be good," "Produces the greatest utility," "Maximizes benefits while minimises harm," "Leads to the greatest good for the greatest number," "Results in a positive cost-benefit ratio," and "Maximizes pleasure." From these, the items "Produces greatest utility," "Leads to the greatest good for the greatest number," "Maximizes benefits while minimizing harm" used in all six studies were selected for final scale. The two items "Maximizes benefits while minimizes harm" and "Leads to the greatest good for the greatest number" were combined as one item "Leads to maximal benefit for society" for the purpose of the study since it was felt it conveys the same meaning. So, two items of utilitarian (Produces greatest utility and Leads to maximal benefit for society) were finally selected.

Egoism scale

The original egoism scale consisted of seven items: "Self promoting," "Selfish," "Self sacrificing," "Prudent," "Under no moral obligation," "Personally satisfying," and "In the best interest of the company." From these items, four items: "In the best interest of the company," "Personally satisfying," "Selfish," and "Self promoting", used in four earlier studies, were selected. It was felt that between the two items "Selfish," and "Self promoting", one item should be selected since in all studies after 1990, either of the two items had been used. Therefore, the "Self promoting" was used in the final scale. So, three items of egoism scale (In the best interest of the company, Personally satisfying, and Self promoting) were finally selected.

The final multidimensional scale used in the questionnaire of this study consisted of 12 items: two justice, two relativist, three contractualism, two utilitarian, and three egoism scale items. The items were presented in the questionnaire after each scenario in random order and the respondents were asked to state their views on the seven point scale from Strongly Agree (1) to Strongly Disagree (7). The individual items of moral philosophy selected for present study are shown in Table 1.

Scenarios

Two ethical decision making scenarios were utilized for measuring ethical judgement and behavioral intentions. Scenarios have been commonly used as a part of data gathering instrument in numerous business ethics studies (e.g., Chonko and Hunt, 1985; Kujala, 2000; Paolillo and Vitell, 2002). Scenario 1 employed in the present study has been utilized in the previous data gathering studies (e.g., Reidenbach and Robin, 1988; Cohen et al, 1993). The first scenario describes a situation where the automobile dealer does not provide the service within the warranty period of one year. Scenario 2 was used in Fritzsche and Becker (1984) study. The second scenario describes a situation where an employee is asked by his new employer to reveal the technological secretes of former employer.

For each scenario respondents read the background information, which described the ethical dilemma and provided with an action statement of the behavior of an individual concerned (see Appendix B). Then, they completed the scale representing five moral philosophies: (1) justice consisting of two items, (2) contractualism consisting of two items (3) relativism consisting of three items, (4) utilitarianism consisting of two items, and (5) egoism consisting of three items measuring moral reactions of people. In addition they were also asked to complete two items of ethical judgment and two items of behavioral intentions.

Pre-testing of questionnaire

The pretesting of questionnaire was conducted with an objective to test the generalizability of Robin & Reidenbach multidimensional scale (1988) using subjects primarily from different cultural setting, in which the scale was evolved. The questionnaire was presented to two senior professors of management and philosophy department and 30 business management students of Delhi University who have been taught business ethics as subject in the previous semester. They were told "This study is designed to validate a questionnaire that measures the importance of beliefs in business decision-making". The subjects were

TABLE 1
A priori normative philosophy scales.

JUSTICE SCALES	Just Fair
RELATIVIST SCALES	Generally acceptable Acceptable to my family
CONTRACTUALISM SCALES	Does not Violates unwritten contract Morally right Does not Violates unspoken promise
UTILITARIAN SCALES	Produces greatest utility for society Leads to Maximal benefit for society
EGOISM SCALES	In the best interest of company Self promoting for the actor Personally satisfying for the actor

asked to respond on the 12-item instrument along with three questions measuring ethical evaluation and behavioral intention on given two scenarios. Certain changes were made in the final questionnaire such as the 7-point semantic scale was changed to 7-point Likert scale such as Just…..Unjust was changed to Strongly Agree …..Strongly Disagree scale.

The Sample

In the given study, Quota Sampling design is adopted to collect the data. It is one of the most commonly used nonprobability sample design used in surveys. This sampling method is based on the principle of stratification. In the given research, a stratum was constructed and bases of stratification are sector of employment and management level. Next, sample sizes called quotas are established for each stratum. The sampling within strata may be proportional or disproportional and identification of individuals with in the designated quota is done at the time of field work of collecting the data. The survey was conducted in November 2004 and spread over the time period of seven months till May 2005. The target group consisted of 1200 executives working at different levels in different public and private organizations. The total of 456 responses were obtained. Out of which 10 questionnaires were rejected due to extreme responses given by respondents which reflected non-seriousness on the behalf of respondents. 12 responses were rejected due to incomplete information of demographic profile. 9 responses were rejected due to missing data of variables under study. The final sample size was 426 respondents i.e. 35.5 % of target group.

Table II summarizes the demographic profile of the respondents of the survey. The data shows that the respondents are pre- dominantly male (58.5%) and over three-fourth respondents (77.9%) are less than 45 years old. Most of the managers (40.4%) have professional academic qualification and 54.7% have monthly incomes below Rs. 30000. About 74% of the managers are employed in private sector and very few respondents (16%) belong to the organizations having workforce less than 100.

TABLE II
Demographic Profile of Respondents (N = 426)

Variable	Percentage
Gender:	
Male	58.5
Female	41.5
Age:	
Under 26	35.0
26 -35	26.8
36 – 45	16.2
46 – 55	14.8
Over 56	07.3
Education Level :	
Bachelor's	33.3
Master's	25.1
Professional	40.4
Other's	01.2
Monthly Income (in Rs.) :	
Under 15000	26.8
15001 – 30000	27.9
30001 – 45000	15.5
45001 – 60000	10.8
Above 60000	19.0
Management Level:	
Top Management	17.7
Middle Management	35.5
Lower Management	46.8
Sector of Employment:	
Public Sector	26.1
Private sector	73.9
Organization Size:	
Less than 100	16.0
100 – 999	31.0
1000 – 9999	30.0
10000 and above	23.0

Results

Paired sample t-tests

In order to examine whether respondent's response is same or different for the various items of moral philosophy in two scenarios, paired sample t-tests is conducted. The paired t-test will indicate if the perceived differences for items of moral philosophy are significantly different for scenario 1 as compared to scenario 2. If the respondent's differ on items of moral philosophy for Scenario 1 and Scenario 2, then further analysis will be done separately for two scenarios. The results of the paired sample t- test done are shown in Table 2. The mean responses indicate that responses to scenario 2 are judged more moderately as most of the responses lies near the middle-point. The significant difference exists between all the twelve items of moral philosophy of two scenarios at $p < .001$. It can be seen from above analysis that responses to various items of moral philosophy significantly differs between two scenarios.

Factor Analysis

The responses of different items of multidimensional scale were tested by principal component analysis using varimax rotation. Those factors with an eigen value greater than 1.0 were retained. Only items with a loading greater than 0.6 are considered to be included in a factor. The reliability of data can be accomplished by obtaining the reliability coefficient, Cronbach's alpha. The validity of the factor model is assessed through with Kaiser-Meyer–Olkin (KMO) measure of sampling adequacy measure. This measure is an index for comparing the magnitudes of the observed correlation coefficients to the magnitudes of the partial correlation coefficients. The measure over 0.90 is considered as marvelous, over 0.80 as meritotious, over 0.70 as middling, over 0.60 as mediocre, over 0.50 as miserable and below 0.50 as unacceptable (Norussis, 1988).

Moral dimensions in Scenario 1.

The respondents had the most critical views of action of automobile dealer for not providing service within the warranty period of twelve months. The KMO measure of sampling adequacy is 0.626 for the given data. Bartlett's test of sphericity (App. = 3056.21) is significant at 0.0001 level. This indicates

TABLE 2
Paired Sample Tests

Variable no.	Variable Name	Scenario 1		Scenario 2		Paired t-test Significance	
		Mean	Std. Dev.	Mean	Std. Dev.		
1	Just	6.06	1.28	4.92	1.84	12.85	S
2	Fair	6.09	1.30	4.96	1.87	11.37	S
3	Generally Acceptable	5.70	1.48	4.15	1.97	15.09	S
4	According to Family	6.22	1.15	5.19	1.71	11.42	S
5	Violate unwritten contract	5.43	1.19	4.88	2.16	5.04	S
6	Violate unspoken promise	5.40	2.01	4.90	2.08	4.55	S
7	Morally Right	5.98	1.71	5.38	1.74	5.34	S
8	Produces greatest utility	6.07	1.31	4.80	1.86	13.52	S
9	Lead to the greatest good	6.04	1.41	4.62	1.92	13.68	S
10	In best interests of company	2.73	1.92	4.29	1.97	-14.42	S
11	Self Promoting	3.01	1.76	4.29	1.78	-11.14	S
12	Personally satisfying	3.43	1.85	3.82	1.74	-3.38	S
13	Act Ethical	6.30	1.24	5.56	1.68	8.49	S
14	Organization Ethical	6.06	1.36	5.04	1.91	1.25	S
15	Prob. I would take action	5.57	1.94	4.83	1.85	7.14	S
16	Prob. Colleagues would take action	5.09	1.82	4.13	1.65	9.62	S

*The differences are highly significant at $p < 0.001$.

that the factor model as a model for analysis can be accepted (see Appendix C). In the first scenario, rotation converged in 5 rotations resulting in 4 factors with an eigen value greater than 1.00. Total variance explained by the four factors is 74.78 % which is comparable to other studies.

The results of rotated factor loadings are presented in Table 3. The first factor consists of two items of justice scale (just and fair) and two items of relativism scale items (generally acceptable and acceptable to my family).The factor is named as justice-relativism dimension and explains maximum of 34.55% of variance. The Cronbach's alpha for the dimension was 0.84. The second factor is pure egoist dimension consisting of three egoism scale items (in the best interests of company, self promoting and personally satisfying) and explains 17.54 % of variance. The Cronbach's alpha for the dimension was 0.78. The third factor consists of both items of utilitarianism scale (produces the greatest utility and leads to the greatest good for the greatest number) and one item of contractualism scale (morally right) and explains 12.63 % of variance. The Cronbach's alpha for the dimension was 0.69 but improved to 0.81 after deleting item "morally right". The fourth factor consists of pure contractualism scale items (violates unwritten contract and violates unspoken promise) and explains 10.05 % of variance. The Cronbach's alpha for the dimension was 0.94.

TABLE III
Factor Analysis of Scenario 1

Variables	Factor 1	Factor 2	Factor 3	Factor 4	Extracted Communality
Just	0.66				0.75
Fair	0.82				0.75
Generally acceptable	0.87				0.80
According to family	0.70				0.58
Violates unwritten contract				0.94	0.92
Violates unspoken promise				0.96	0.95
Morally right			0.61		0.48
Produces maximum utility			0.86		0.83
Leads to greatest good			0.82		0.76
In the best interest of company		0.70			0.56
Self promoting		0.91			0.86
Personally satisfying		0.83			0.70
Initial Eigen Value	4.14	2.10	1.51	1.20	
% of variance	34.55	17.54	12.63	10.05	74.78
Cumulative % of variance	34.55	52.09	64.73	74.78	
Cronbach's Alpha	0.84	0.78	0.69	0.94	

Moral dimensions in Scenario 2.

The respondents had less negative response for action of software engineer revealing the product secrets of his former employer to new employee. The KMO measure of sampling adequacy is 0.81. Bartlett's test of sphericity (App. = 3056.21) is significant at 0.0001 level. This indicates that the factor model as a model for analysis can be accepted. In the second scenario, rotation converged in four rotations resulting in three factors with eigen value greater than 1.00. Total variance explained by the four factors is 74.78 % which is comparable to other studies.

The results of rotated factor loadings are presented in Table 4. The first factor represented the broad-based moral equity dimension consisting of seven items and explains maximum of 53.29 % of variance. The variables consisted of the two items of justice scale (just and fair), two items of relativism scale (generally acceptable and acceptable to my family), two items of utilitarian scale (produces the greatest utility and leads to the

TABLE IV
Factor Analysis of Scenario 2

Variable	Factor 1	Factor 2	Factor 3	Extracted Communality
Just	0.80			0.82
Fair	0.78			0.81
Generally acceptable	0.69			0.68
Acceptable to family	0.70			0.61
Violates unwritten contract			0.97	0.91
Violates unspoken promise			0.98	0.95
Morally right	0.85			0.72
Produces maximum utility	0.83			0.74
Leads to greatest good	0.85			0.79
In the best interest of company		0.70		0.73
Self promoting		0.89		0.85
Personally satisfying		0.88		0.83
Initial Eigen Value	6.39	1.95	1.19	
% of variance	53.29	16.30	9.98	79.57
Cumulative % of variance	53.29	69.59	79.57	

greatest good for the greatest number) and one scale items of contractualism scale (morally right). The Cronbach's alpha for the dimension was 0.93.

The second factor is pure egoist dimension consisting of three items of egoist scale (in the best interests of company, self promoting and personally satisfying) and explains 16.30 % of variance. The Cronbach's alpha for the dimension was 0.87. The third factor consists of two items of utilitarianism (violates unwritten contract and violates unspoken promise) and explains 9.98 % of variance. The Cronbach's alpha for the dimension was 0.96.

The factor analysis results in emergence of four factors consisting of broad-based moral equity dimension, egoist, utilitarianism and contractualism dimension in Scenario 1 and three factors consisting of moral equity, egoist and utilitarianism in Scenario 2. Thus,

Multidimensional ethics factor structure confirms the existence of the justice, contractualism, relativism, utilitarianism, and egoism philosophies for executive's decision making.

Discussion

The Indian managers revealed a variety of ethical theories in their decision making process. In automobile dilemma, the four natural dimensions emerged consisting of justice-relativism, egoism, utilitarianism, and contractualism. In the second scenario, the respondents have accepted the action of software engineer revealing secrets of product of former employer to the new employer. In this dilemma, a broad-based moral equity dimension with items from justice, relativism, and utilitarianism emerged. In both scenarios, pure egoism and contractualism dimension emerged as an important factor. Emergence of moral equity dimension of deontological philosophy and egoism dimension of teleological philosophy show individuals use philosophies from both deontology and teleology simultaneously in ethical decision-making process supporting the Hunt and Vitell (1986) model.

Moral equity dimension was strongly represented by justice and relativism philosophy and it emerged as an important factor in the both scenarios influencing the managers' decision making. Non consequential evaluations in general and moral equity in particular have emerged as a factor in several empirical studies supporting Hunt and Vitell's (1986) theory (Robin and Reidenbach, 1990; Hansen, 1992; Cohen et al., 1993; Cruz et al., 2000). The point to be noted is that managers are combining justice thinking with relativist thinking in resolving the ethical dilemma, though both dimensions represents different theoretical viewpoint in discussion. It implies the differentiation between right and wrong is based on what is just, fair, generally acceptable, and acceptable to his/her family. The mean scores of relativism scale depicts that action of software engineer giving away information of new product of former employee was more acceptable on cultural norms as compared to the action of automobile dealer. In Indian business settings, such viewpoint certainly has the relevance since such perceptions may engage them in unethical behavioral intentions.

Along with it, teleological philosophy consisting of egoist dimensions emerged as an important factor in ethical decision-making. The managers judged the action in the interests of company, self promoting, and personally satisfying. Compared to earlier studies using the multidimensional scale, a notable difference is the emergence of pure egoism dimension in both scenarios. In the previous studies, either this philosophy has not emerged as an important dimension or a combination of egoism-relativism emerged in few studies (Kujala, 2001). From this we can conclude that consequential thinking comprising interest for self and for company exists for Indian managers. The findings suggest that managers using the egoist philosophy may commit acts that they perceive as unethical.

The philosophy of "contractualism" requires the action to be judged on the principles of right and violation of unwritten contract and/or unspoken promises. In automobile scenario, the customer expects to be served for faulty transmission of car within the warranty period and higher means for three items of the scale depicts that such an action is violated on contractual norms. In software scenario, the mean score of respondents is around 4 i.e., mid value which shows that executives does not view such action as violation of unwritten contract and unspoken promise. The mean scores of three items of contractualism with very high standard deviation and variance depicts true ethical dilemma faced by Indian respondents. The reason could be attributed to the difference in nature of problem encountered by actor in both the scenarios.

Another interesting finding is that a significant difference exists in responses to moral philosophy, ethical judgment and behavioral intention as measured by two scenarios in a given study. In the automobile scenario where dealer does not change the auto-part within the warranty period, the respondents judged the unethical action of the auto dealer harshly and expressed the intention not to engage in such a behavior. It seems the respondents have judged the action of the auto dealer from the point of view of the consumer. In the second scenario, the action of a software engineer who revealed secrets of technological product of former employer to the new employer was more acceptable to the respondents. It exposes dual thinking of respondents and the fact that individuals may change philosophy type depending on the situation. It shows how ethical decision making is related to specific situation and business ethical decision making is different from consumer ethical decision making process. Further research can be taken to explore consumer ethics (Muncy and Vitell, 1992).

Conclusion

The concept of justice has been traditionally concerned with rights and duties; with a person being given his due for good moral reasons. A just society enables each person to realize this aim whereas a utilitarian society is concerned with realization of the greatest sum of individual goods. The concept of fairness and justice does not arise out of any agreement between the parties involved. In Indian sub-continent, the customs and conventions have evolved over a period of time and have a long history. Conventions are not enforced by any authority but almost everyone conforms to particular rules of behavior and there is no agreement or contract about it. If such conventions have conformity and acceptability, then these conventions acquire moral dimension. This may explain the reason of predominance of existence of justice and relativism philosophy amongst Indian manager's decision-making over contractarianism (morality by agreement) philosophy.

The results are important for organizational area researchers who are interested in knowing "what kinds of moral philosophies will be most effective in encouraging ethical behavior?" The emergence of various factors reveals that moral philosophy plays an important role in the entire process of ethical decision-making of managers. Managers need to recognize that their organizations consist of different individuals who are of different philosophy type and react differently to the given situation. The

ethical behavior of deontological philosophy type managers can be governed more by rules and regulations, clearly laid-down policies, and code of conduct. The ethical conduct of teleological philosophy type can be governed by reward and penalty structure and strict enforcement of code of conduct. The ethical climate of the organization should be designed in such a manner which includes individuals of all philosophy types in decision-making.

The results of the study can be further analyzed to explore the ethical decision making process of Indian managers. The ethical decision making process of an individual is a complex phenomenon and various authors have suggested theoretical models of decision making based on moral theories. Hunt and Vitell (1986) General Theory of Marketing Ethics is one such theoretical model based on the theories of deontology and teleology and their influence on decision-making behavior.

APPENDIX C

There has been concern with regards to mediocre K-M-O value of 0.626 in Scenario 1 which may not be appropriate for factor analysis. The SPSS software used in my research includes Bartlett's test of sphericity (Bartlett 1950) and the Kaiser-Meyer-Olkin measure (Kaiser 1970) of sampling adequacy to assist users to assess the adequacy of their correlation matrices for factor analysis. For a large sample Bartlett's test approximates a chi-square distribution. Very small value of significance (below 0.05) indicates a high probability that there are significant relationships between the variables, whereas higher values (0.1 and above) indicate the data is appropriate for factor analysis. . Bartlett's test of sphericity (App. = 3056.21) is significant at 0.0001 level. This indicates that the factor model as a model for analysis can be accepted

APPENDIX B

Scenarios used in the study

Scenario 1:

A person bought a new car from a franchised automobile dealership in the prestigious local area. Eight months after the car was purchased, he began having problems with the transmission. He took the car back to the dealer, and some minor adjustments were made. During the next few months he continually had a similar problem with the transmission slipping. Each time the dealer would ask the mechanic to make only minor adjustments on the car. Again, during the thirteenth month after the car was purchased the man returned to the dealer because the transmission still was not functioning properly. At this time, the transmission was completely overhauled.

Action: Since the warranty was for only one year from the date of purchase, the dealer charged the full price for parts and labor.

Scenario 2:

A young computer engineer has recently accepted a job with a microcomputer manufacturer. The microcomputer manufacturers are engaged in intense competition to become the first on the market with a software package which utilizes the Hindi language and thus is easily used by the average customer. His former employer is supposed to be the leader in this software development. When he was hired he was led to believe his selection was based upon his management potential. After the third week on the new job, the engineer received the following memo from the Chairman: please meet with me tomorrow at 8:15 for the purpose of discussing the developments your former employer has made in the micro computer software.

Action: He provided new employer with the software information.

APPENDIX A
Construction of multidimensional scale

Study	Robin & Reiden	Tsalikis & Ortiz	Cohen	Tsalikila tour	Cruz	Kujala	Rittenburg	Final items selected
Year	1988	1990	1993	1995	2000	2001	2002	
No. of items	30	29	15	20	12	17	11	12
JUSTICE Just	•		•		•	•	•	• Just
Fair	•	•	•	•	•	•	•	• Fair
Results in equal distribution of good and bad	•	•						
RELATIVISM Culturally acc	•	•	•	•	•	•	•	• Generally acceptable
Traditional acc	•	•	•		•	•	•	
Individual acc	•	•	•	•		•		
Acceptable to my family	•	•	•	•	•	•	•	• Acceptable to my family
Acceptable to people I admire	•	•		•				
DEONTOLOGY Violates an unwritten contract	•	•	•	•	•	•	•	• Violates an unwritten contract
Violates an unspoken promises	•	•	•	•	•		•	• Violates an unspoken promises
Duty bound to act this way	•	•		•				
Obligated to act this way	•	•	•	•		•		
Morally right	•	•		•	•	•	•	• Morally right
Violates my idea of fairness	•	•				•		
UTILITARIAN Efficient	•	•		•		•		
O.K. if actions can be justified by their consequences	•	•		•		•		
Produces the greatest quality	•	•	•		•	•	•	• Produces the greatest utility
Maximizes pleasure	•	•						
Compromises an important rule by which I live	•	•		•				
On balance, tends to be good	•	•		•				
Results in a positive cost-benefit ratio	•	•						
Leads to the greatest good for the greatest number	•	•	•	•		•	•	• Leads to maximal benefit for society
Maximizes benefits while minimizes harm	•	•	•		•	•	•	
EGOISM In the best interest of the company	•	•		•		•		• In the best interest of the company
Self sacrificing	•	•	•					

Personally satisfying	•	•	•		•			• Personally satisfying
PRUDENT	•	•		•				
Under no moral obligation	•	•		•				
Selfish	•	•		•		•		• Self promoting
Self promoting	•	•	•		•			

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