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Moral Awareness and Ethical Predispositions: Investigating the Role of Individual Differences in the Recognition of Moral Issues

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The impact of the role of individual ethical predispositions, preferences for utilitarian and formalistic ideals, on managerial moral awareness was examined in 2 studies. Results suggested that a manager's ethical predispositions influence his or her responses to the characteristics of the moral issue. Both utilitarianism and formalism shaped moral awareness, but formalism demonstrated a greater capacity to do so in that formalists recognized both harm and the violation of a behavioral norm as indicators of the moral issue, whereas utilitarians responded only to harm. These findings provide support for the basic arguments underlying theories of moral development and offer several implications for the study and practice of moral awareness in organizations.

Keywords: moral awareness, ethical predispositions, moral intensity

Most theories of moral decision making posit moral behavior as the culmination of a multistage process—a process that begins with moral awareness or the identification of the moral issue (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Jones, 1991; Rest, 1986; Treviño, 1986). In this light, some have argued that although many act unethically because they intend to, others simply do not recognize the moral aspects of the situations in which they are involved and thus do not initiate the moral decision-making process. Such explanations have been applied to some of the great ethical fiascos of our time, including the Ford Pinto recall (Gioia, 1992) and the Exxon Valdez crash (Key & Popkin, 1998) and imply that by improving managerial moral awareness, future ethical catastrophes can be avoided.

A handful of scholars have recognized the importance of moral awareness and have explored the topic empirically. Much of this research, though, has focused on identifying the characteristics of the moral issue, and, subsequently, very little work has explored how individual differences influence moral awareness. Given that moral awareness is an individual-level phenomenon, it seems apparent that individual differences may determine why one manager recognizes an issue as a moral issue, whereas another does not. To this end, the present article explored ethical predispositions, preferences for utilitarian and formalistic decision-making criteria—the most fundamental of moral decision-making criteria—and their influence on moral awareness.

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Moral Awareness

Rest (1986) argued that moral awareness is something of an interpretive process wherein the individual recognizes that a moral problem exists in a situation or that a moral standard or principle is relevant to some set of circumstances. More recently, Butterfield, Treviño, and Weaver (2000) defined moral awareness as "a person's recognition that his or her potential decision or action could affect the interests, welfare, or expectations of the self or others in a fashion that may conflict with one or more ethical standards" (p. 982). Although Butterfield et al.'s definition is certainly more precise than Rest's, it may be somewhat overstated on at least two accounts. First, the need for a decision often is not apparent until after the issue has been identified as a moral issue. Subsequently, the requirement that an individual first identify the impact of personal decisions ultimately limits the number of issues that could possibly be recognized as moral issues. Second, determining whether a decision "conflicts with one or more ethical standards" requires an analysis of how the decision compares against standards of moral behavior, a process that threatens to confound the constructs of moral awareness and moral judgment. Instead, what is required is merely an acknowledgment that such comparisons are appropriate; that moral standards are relevant to the issue's contents; and that the individual can justifiably apply the vocabularies, frameworks, and tools of moral analysis to the situation. In other words, the decision maker must acknowledge that a moral point of view is a valid point of view (Baier, 1958). With these issues in mind, I define *moral awareness* as a person's determination that a situation contains moral content and legitimately can be considered from a moral point of view.

To date, the majority of research on moral awareness has been guided by the notion of attention. According to Fiske and Taylor's (1990) social-cognitive theory, decision makers perceive and encode information, but certain aspects of incoming information can receive more attention because of their saliency, vividness, and accessibility. Jones (1991) argued that characteristics of the moral issue can vary in saliency and vividness, thus increasing the likelihood that an individual will pay attention to those character-

istics and identify the issue as a moral issue. Jones proposed moral intensity as a framework that specifies the characteristics of the moral issue. Most research on moral awareness has since been grounded in the moral intensity construct and has generated a substantial amount of knowledge about the characteristics of moral issues that facilitate moral awareness.

Characteristics of the Moral Issue

Jones (1991) described moral intensity as the extent to which an issue, event, or act has characteristics that make it subject to moral consideration, moral judgment, and moral action. He identified six dimensions of moral intensity that constitute the characteristics of the moral issue: magnitude of consequences, concentration of effect, probability of effect, temporal immediacy, social consensus, and proximity. Although researchers have demonstrated that the characteristics of the moral issue influence the moral decision-making process (Frey, 2000), the data have not supported Jones's six-dimension model. Instead, evidence suggests that moral issues are composed of two principal factors: The first involves harm, and the second involves social expectations or social norms of behavior. For example, Singhapakdi, Vitell, and Kraft (1996) found that the six dimensions loaded on two factors, which they referred to as "perceived potential harm/no harm" and "perceived social pressure." Both Frey (2000) and May and Pauli (2002) found evidence that the moral intensity dimensions loaded onto a few factors, one of which was associated with harm and another with social consensus (although in Frey's sample, the specific dimensions did not load consistently across random half-sets). Although these researchers have reported evidence of a two-factor structure, none have discussed the implications of these findings on moral awareness.

In considering the substance of moral issues, harm has a clear relationship with moral awareness. Harm is the extent to which an individual or group is injured physically, psychologically, or economically (Collins, 1989). It is multidimensional and can vary in many different ways (Jones, 1991; Reynolds, 2002), but considered broadly, the concept of harm is deeply rooted in centuries of moral theory and, in some cases, has become synonymous with the terms *ethics*, *moral philosophy*, and *moral behavior* (e.g., Bentham, 1789/1948). Given its core position in moral theory, it is reasonable to assume that the presence of harm indicates to a decision maker that an issue is a moral issue, and this point has been demonstrated in the moral intensity literature (Butterfield et al., 2000; Dukerich, Waller, George, & Huber, 2000).

Social expectations or behavioral norms are similarly associated with moral awareness. A *norm* is a rule of conduct that specifies what should and should not be done by various kinds of actors in various kinds of social situations (Bierstedt, 1963; R. M. Williams, 1960). Gibbs (1965) added that norms do not describe unity of behavior, but rather they designate a particular shared "frame of reference" and express the existence of social consensus, obligation, or pressure. In short, a norm is an expectation of what behavior will unfold in a given situation, and in this sense there are perhaps an innumerable number of norms in everyday experiences. Just as harm is multidimensional in form, norms can vary along numerous dimensions such as consensus, internalization, codification, and others (Jackson, 1965; Reynolds, 2002). Considered at a very broad level, the notion of norms effectively represents the means by which society communicates expectations of behavior and morality is proscribed.

In terms of moral awareness, the sheer ubiquity of norms suggests that the mere presence of a behavioral norm, regardless of the degree of its social consensus (Jones, 1991), is inadequate to spark moral awareness—something must occur that makes the norm vivid to the decision maker and salient to a moral context. I suggest that this event is the violation of the norm. The violation of a behavioral norm serves as a triggering mechanism making apparent the existence and importance of that norm (DeRidder & Tripathi, 1992). Moreover, a violation suggests to the individual that because the norm is not being followed, a moral point of view may be a necessary and valid point of view (Nietzsche, 1886/1955). Thus, the violation of a behavioral norm invokes the relevance of the norm and thereby facilitates moral awareness.

In summary, there is both theoretical justification and empirical evidence to suggest that the moral issue is composed of two principal factors, the first involving harm, and the second involving behavioral norms. Furthermore, the presence of harm and the violation of a behavioral norm are vivid and salient factors that foster moral awareness. Although previous researchers have intimated these relationships (e.g., Butterfield et al., 2000), this discussion represents the first explicit attempt to synthesize and incorporate these findings into a study of moral awareness. Therefore, it is valuable to present the arguments in the following hypotheses:

> *Hypothesis 1:* The presence of harm will be positively associated with moral awareness.
>
> *Hypothesis 2:* The violation of a behavioral norm will be positively associated with moral awareness.

Although researchers have done much to identify these characteristics, no work in this area has examined how individual differences affect the ways in which individual managers respond to them. In the following section, I discuss the concept of ethical predisposition and consider how the two most widely referenced ethical predispositions, utilitarianism and formalism, interact with these issue characteristics to influence moral awareness.

Ethical Predispositions

Ethical predisposition is a term that is used very generally to refer to the cognitive frameworks individuals prefer to use in moral decision making (Brady & Wheeler, 1996). To date, ethical predisposition researchers have focused primarily on two frameworks. The first represents teleological, or ends-based, decision making. It focuses attention on the consequences of a situation and argues that the moral act is that which optimizes or creates the greatest good (Brady, 1985). The framework does not necessarily define its elements—it neither specifies what kinds of consequences are good nor identifies to whom they must apply. It simply indicates that the value of an act's outcomes should determine whether the act is moral. Although there are many different teleological ethical theories, researchers have referred to this moral decision-making framework as utilitarianism, named after one of the most well-known and widely accepted of teleological theories (Mill, 1863). It may be technically more accurate to refer to this framework as

teleology, but in keeping with precedents in the literature, I refer to it as *utilitarianism*.

The second framework represents deontological, or obligation-based, approaches to ethics. In general, deontological approaches emphasize the importance of patterns, rules of behavior, or some other formal features of ethics to determine moral behavior (Brady & Wheeler, 1996; Honderich, 1995). As with utilitarianism, this framework does not specify whether those formal features are laws, ideals, principles, customs, or mores, but it does demand that these features dictate the morality of a situation or decision. It may be more accurate to identify this framework as deontology, but scholars have referred to it by the most well-known and widely accepted deontological theory, formalism (Brady, 1985; Kant, 1785/1994).

In keeping with previous research on moral intensity, I suggest that the relationship between ethical predispositions and moral awareness is rooted in one aspect of attention. Whereas moral intensity research has focused on saliency and vividness, ethical predispositions correspond to accessibility. Ethical predispositions are patterns used to process information—the utilitarian pattern relies on consequences to organize and judge moral issues, whereas the formalistic pattern uses rules, principles, and guidelines to conduct such analyses. To the extent that the individual subscribes to or uses these frameworks as tools for addressing moral issues, they are accessible when the individual encounters a new situation. If that new situation involves harm, a manager who can easily access a utilitarian framework will be more inclined to identify the harm as a consequence associated with moral issues. Thus, the framework will facilitate the process of recognizing the issue as a moral issue. Similarly, the manager who subscribes to formalism, in the presence of a violation of a behavioral norm, will be more likely to consider that violation in the context of formalism and subsequently link the violation to a moral point of view. In short, the accessibility of these ethical frameworks facilitates the process of moral awareness, and thus ethical predispositions influence the recognition of moral issues by moderating the effects of the associated moral issue characteristics. These arguments are presented as Hypotheses 3 and 4:

> *Hypothesis 3:* Utilitarianism will moderate the relationship between harm and moral awareness such that harm will have a stronger positive impact on moral awareness when utilitarianism is high.

> *Hypothesis 4:* Formalism will moderate the relationship between the violation of a behavioral norm and moral awareness such that a violation will have a stronger positive impact on moral awareness when formalism is high.

In each case, utilitarianism and formalism are able to influence moral awareness because of their accessibility. Interestingly, theories of moral development provide arguments that suggest that formalism may have a greater capacity for accessibility and therefore may influence moral awareness more broadly than utilitarianism. Theories of moral development (e.g., Kohlberg, 1981; Rest, 1986) argue that an individual's moral reasoning skills progress through a series of stages. Initially, the individual has a very self-centered view of morality, but with time, experience, and exposure to new perspectives, the individual can adopt different approaches to moral matters that at first are more sensitive to the needs and rights of others and are ultimately based in universal law. Kohlberg (1984) referred to these stages as "preconventional, conventional, and postconventional" stages of moral reasoning. I suggest that there are meaningful similarities between utilitarianism and formalism and Kohlberg's conventional and postconventional stages of moral development.

Utilitarianism emphasizes the value of consequences in determining the moral course of action. In Kohlberg's (1984) middle stages, moral behavior is guided by an overarching theme of maximizing joint interests (Victor & Cullen, 1988). At these stages, morality consists of pleasing partners, parents, family, coworkers, and, ultimately, society. Although others have referred to this moral criterion as benevolence (Fritzsche & Becker, 1984; B. Williams, 1985), the general principles used at Kohlberg's middle stages are similar to those of utilitarianism. In this same vein, formalism represents an emphasis on consistent conformity to moral patterns, rules, or standards of behavior. Kohlberg's highest stages of development are similarly characterized by commitments to individual rights and standards that have been examined critically and agreed upon by society (Kohlberg, 1981). Thus, there is some conceptual overlap between these moral frameworks and the stages of moral development.

This similarity is relevant because a critical element in moral development theories is the notion that progression from one stage to the following stage allows for the comprehension of previous stages but not of future stages (Kohlberg, 1984). As utilitarianism and formalism map onto these stages, it is consistent with moral development theory to argue that formalism comprehends and appreciates utilitarian ideals, but the reverse does not hold. In other words, strict utilitarianism (i.e., subscribing to utilitarianism but not to formalism) is limited by the principles of stage comprehension to the boundaries of utilitarianism, but formalism comprehends both frameworks and therefore can access either set of ideals. Thus, in situations that involve harm, both utilitarianism and formalism will recognize harm as a consequence of a moral issue, but in situations that involve the violation of a behavioral norm, only formalism will recognize it as a characteristic of the moral issue. From a methodological perspective, this is demonstrated as a three-way interaction in which moral awareness is influenced by conditions of harm, the violation of a behavioral norm, and formalism (Aiken & West, 1991). This argument is summarized in the following hypothesis:

> *Hypothesis 5:* Harm, the violation of a behavioral norm, and formalism will interact to influence moral awareness such that in the absence of harm, moral awareness will be most positive when the violation of a behavioral norm is present and formalism is highest.

Study 1

Between-Subjects Experiment: Method

Design. A 2 × 2 between-subjects experimental design was used in the present study. Conditions of harm (present and absent) and violation of a behavioral norm (present and absent) were manipulated in a short vignette (see Appendix). The reader was asked in the vignette to imagine that he or she was the manager of

a company and that a customer, a representative of a medical clinic, had called to inquire about an order. Harm was manipulated in a statement that indicated that the delay of the order shipment to the medical clinic had either not affected any patients (absent) or had allowed the condition of some patients to worsen dramatically (present). The violation of a behavioral norm was manipulated in a statement as to whether a shipping clerk had told the truth (absent) or not (present). The vignette was developed in several rounds of pretesting with full-time master of business administration (MBA) students who completed manipulation checks and provided both written and verbal feedback about the vignette's realism.

Participants and procedure. Surveys were mailed to 120 randomly selected members of the Executive Masters of Business Administration Alumni Association of a large midwestern university. Sixty-three managers (53%) returned intelligible instruments (16, 16, 15, and 16 for each cell). Respondents' mean age was 46.38 years ($SD = 7.72$), and on average they had spent 23.62 years ($SD = 7.49$) in business. They worked in several areas, including sales, operations, strategic development, finance, human resources, information technology, and accounting. Forty-nine of the respondents were men.

Measures. Moral awareness was measured with three 7-point Likert scale items, ranging from 1 (*strongly disagree*) to 7 (*strongly agree*), developed for this research. The first two items measured the extent to which the participants felt that the situation contained moral content ("There are very important ethical aspects to this situation" and "This matter clearly does not involve ethics or moral issues"). The third measured moral awareness more indirectly. At the beginning of the survey, participants read a memo from the leadership of the fictitious company. The memo announced the formation of an Ethics Resource Committee (ERC) whose current objective was to "better understand the ethical issues that employees face." The memo then encouraged employees to inform the committee about all "issues that have ethical content and/or ethical consequences." Accordingly, the final item stated, "I would definitely report this situation to the ERC" (1 = *strongly disagree*, 7 = *strongly agree*). Cronbach's alpha of the measure was .70.

Utilitarianism and formalism were measured with the character traits version of Brady and Wheeler's (1996) Measure of Ethical Viewpoints. The instrument lists 20 character traits that respondents rate on a 7-point scale ranging from 1 (*not important to me*) to 7 (*very important to me*). Utilitarianism includes the traits innovative, resourceful, effective, influential, results oriented, productive, and a winner. Formalism includes the traits principled, dependable, trustworthy, honest, noted for integrity, and law abiding. Measures were created by averaging the appropriate items. Cronbach's alphas for these measures were .75 and .67, respectively. The two scales were not significantly correlated ($r = .13$, $p = .30$). Scores for each scale were transformed to *z* scores to facilitate comparison and analyses.

Manipulations were confirmed with four items. Two items ("Someone was seriously injured in this situation"; "Someone has experienced a great deal of harm") measured perceived harm ($M = 3.81$, $SD = 2.17$, $\alpha = .81$), and two reverse-scored items ("[Focal actor] acted as he or she is supposed to in this situation"; "I would expect anyone in [the focal actor's] situation to act as he or she did") measured perceived violation of a behavioral norm ($M = 4.77$, $SD = 2.09$, $\alpha = .83$). The means, standard deviations, and a correlation matrix of the variables in this study are presented in Table 1.

Results

Response rates demonstrated no unusual relationships or patterns. Analysis of the manipulation checks indicated that those receiving conditions without harm perceived significantly less harm than those who received conditions with harm, $F(1, 62) = 103.24$, $p = .00$, $\eta_p^2 = .63$, and those who received conditions without a violation of a behavioral norm perceived significantly less of a violation than those who received conditions with a violation, $F(1, 62) = 76.56$, $p = .00$, $\eta_p^2 = .56$. Also, the presence of a violation did not influence perceptions of harm, $F(1, 62) = 0.34$, $p = .56$, $\eta_p^2 = .01$, nor did harm influence perceptions of the violation, $F(1, 62) = 2.31$, $p = .13$, $\eta_p^2 = .04$.

To test the hypotheses, two three-step sets of regression models were created, one set for utilitarianism and the other for formalism (see Tables 2 and 3). In each set, the first step contained only main effects, the second step contained main effects and two-way interactions, and the final step included main effects, two-way interactions, and the three-way interaction (Aiken & West, 1991). Results of every model indicated significant main effects for the presence of harm and the violation of a behavioral norm, thus providing support for Hypotheses 1 and 2. There was no interaction effect between the two.

In the third utilitarian model, the interaction between utilitarianism and harm significantly predicted moral awareness ($p = .04$), thus supporting Hypothesis 3. In the third formalism model, the *p* value for the interaction between formalism and the violation of a behavioral norm was .09, and the effect size for this factor was small (.03), which provided only limited evidence of the relation-

Table 1
Study 1: Means, Standard Deviations, and Correlation Matrix

Variable	*M*	*SD*	1	2	3	4	5
1. Moral awareness	3.53	1.67	—				
2. Harm	0.51	0.50	.26*	—			
3. Violation of a behavioral norm	0.49	0.50	.57**	.02	—		
4. Utilitarianism	5.62	0.71	−.10	−.06	.09	—	
5. Formalism	6.35	0.49	−.03	.02	−.09	.13	—

Note. $N = 63$.
* $p < .05$. ** $p < .01$.

Table 2
Regression Results of Study 1: Utilitarianism

Variable	Model 1[a]: *B*	Model 2[b]: *B*	Model 3[c]			
			B	*SE*	η_p^2	95% CI
Constant	2.19**	2.12**	2.13**	.33	.43	1.47, 2.79
Harm	.79**	.90*	.86*	.47	.06	−0.08, 1.80
Violation	1.91**	2.02**	2.06**	.48	.25	1.10, 3.01
Utilitarianism	−.24†	−.15	.13	.33	.00	−0.54, 0.80
Harm × Violation		−.22	−.23	.67	.00	−1.57, 1.12
Harm × Utilitarianism		−.28	−.84*	.47	.06	−1.78, 0.10
Violation × Utilitarianism		.11	−.46	.47	.02	−1.40, 0.49
Harm × Violation × Utilitarianism			1.13*	.67	.05	−0.21, 2.47
ΔR^2		0.01	.03			
ΔF		0.32	2.86*			
R^2	.41	0.42	.44			
Adjusted R^2	.37	0.35	.37			
F	13.37**	6.61**	6.27**			

Note. $N = 63$. Unstandardized regression coefficients are shown. CI = confidence interval.
[a] *df*s = 3, 62. [b] *df*s = 6, 62. [c] *df*s = 7, 62.
† $p < .10$. * $p < .05$. ** $p < .01$.

ship discussed in Hypothesis 4. In terms of Hypothesis 5, the incremental change statistic, ΔF, from Model 2 to Model 3 was 3.07 ($p = .04$), indicating that the three-way interaction of harm, violation of a behavioral norm, and formalism was a significant addition to the model. Figure 1 is a graphic representation of this interaction. The unstandardized regression coefficients and constant from the final regression equation are used in Figure 1 to plot the relation between harm, violation of a behavioral norm, and formalism at high (one standard deviation above the mean) and low (one standard deviation below the mean) levels of each (Aiken & West, 1991; Cohen & Cohen, 1983). In the absence of harm, moral awareness is highest when the violation of a behavioral norm is present and formalism is high. Moreover, in the absence of a violation and in the presence of harm, formalism has a positive influence (Δ moral awareness = .2). Finally, the R^2 of the third model was .45, which suggests that the overall model explained a significant amount of variance in the response variable. These results provided support for Hypothesis 5.

Discussion

The results from this experiment provide evidence of two main points. First, as the literature on moral intensity suggests, the presence of harm and the violation of a behavioral norm are positively related to moral awareness. Second, ethical predisposition influences moral awareness, although formalism holds a greater capacity for accessibility than does utilitarianism. To the extent that the respondents preferred formalistic principles, they were more likely to respond to both harm and the violation of a

Table 3
Regression Results of Study 1: Formalism

Variable	Model 1[a]: *B*	Model 2[b]: *B*	Model 3[c]			
			B	*SE*	η_p^2	95% CI
Constant	2.19**	2.10**	2.14**	.33	.43	1.47, 2.81
Harm	.82**	1.00**	.94*	.47	.07	−0.01, 1.88
Violation	1.87**	2.08**	2.08**	.48	.25	1.12, 3.04
Formalism	.03	.25	−.17	.41	.00	−0.99, 0.65
Harm × Violation		−.38	−.37	.67	.01	−1.71, 0.98
Harm × Formalism		−.49†	.27	.55	.00	−0.83, 1.37
Violation × Formalism		.04	.68†	.51	.03	−0.33, 1.70
Harm × Violation × Formalism			−1.22*	.70	.05	−2.62, 0.18
ΔR^2		0.02	.03			
ΔF		0.73	3.07*			
R^2	.39	0.41	.45			
Adjusted R^2	.35	0.35	.39			
F	12.32**	6.44**	6.17**			

Note. $N = 63$. Unstandardized regression coefficients are shown. CI = confidence interval.
[a] *df*s = 3, 62. [b] *df*s = 6, 62. [c] *df*s = 7, 62.
† $p < .10$. * $p < .05$. ** $p < .01$.

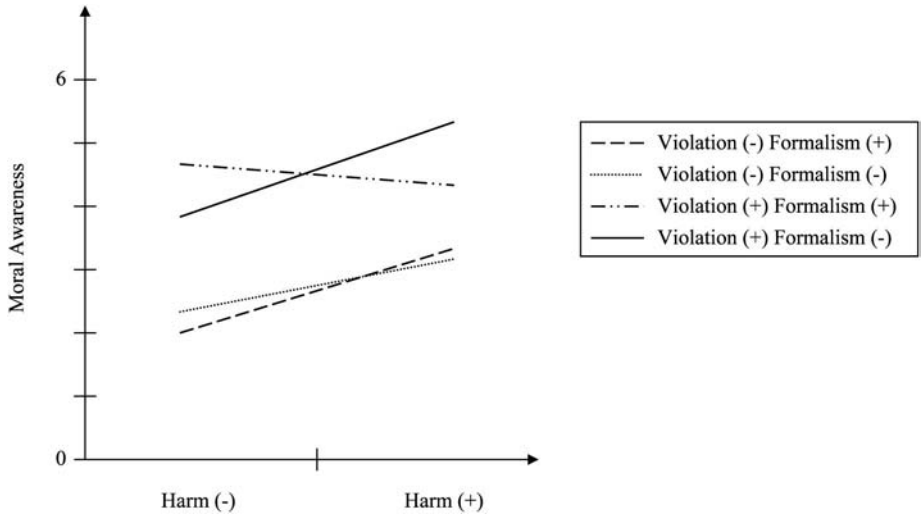

Figure 1. Three-way interaction of harm, the violation of a behavioral norm, and formalism. Plus and minus signs represent values one standard deviation above or below the mean, respectively.

behavioral norm. Utilitarianism, though, was less responsive to violations of a behavioral norm.

Methodologically speaking, four areas of concern emerged in this study. First, the reliability measure of the formalism construct, although consistent with what others have reported (e.g., Brady & Wheeler, 1996; Schminke, Ambrose, & Noel, 1997), was below the standard of .70 set by Nunnally (1978). Greater reliability in this area would lend more validity to the findings. Second, surprisingly, the *p* value for the three-way interaction between utilitarianism, harm, and violation of a behavioral norm was .05. The effect size was relatively small (.05), but if this finding was indicative of a consistent relationship among the three variables, the implications could be far-reaching; therefore, this finding merited further investigation. Third, though not hypothesized, one implication of Hypothesis 5 is that formalism moderates the relationship between harm and moral awareness. In the third model, this two-way interaction was insignificant. As the three-way interaction was indeed significant, this effect may have been a casualty of other more powerful interactions in the final model. Subsequently, this result also merited more attention. Finally, just one scenario was used in the present study, and therefore there was some concern about the stability of these relationships across other situations. With these issues in mind, Study 2 was initiated.

Study 2

Within-Subjects Experiment: Method

Design. A 2 × 2 within-subjects experimental design was used in the present study. Conditions of harm (present and absent) and the violation of a behavioral norm (present and absent) were manipulated across four short vignettes (see Appendix). The vignettes were subjected to multiple rounds of pretesting with full-time MBA students and then randomized for distribution.

Participants and procedure. Thirty-three managers who were enrolled in an evening MBA course at the same university voluntarily completed the survey during a break between class sessions. Their average age was 29.81 years (SD = 3.51), and their average business experience was 7.90 years (SD = 3.75). They worked in finance, accounting, research and development, marketing, information technology, and operations. Twenty participants were men (61%).

Measures. Moral awareness was measured with the same scale used in Study 1, with one change. In an effort to increase both the reliability and adaptability of the scale, the "ERC" item was replaced with the following: "This situation could be described as a moral issue" (1 = *strongly disagree*, 7 = *strongly agree*). Analyses from the four vignettes suggest that this was a more reliable measure of moral awareness (α_1 = .68, α_2 = .78, α_3 = .78, α_4 = .88; α_{avg} = .78).

Utilitarianism and formalism again were measured with the character-traits version of Brady and Wheeler's (1996) instrument. Cronbach's alphas for these measures were .76 and .72, respectively, and in this instance, the two scales were more strongly correlated (r = .30; p = .09). As there has been much speculation about a possible relationship between the two scales, this finding was not surprising (Brady & Wheeler, 1996). The scales again were transformed to z scores to facilitate comparison and analyses.

Manipulations for each vignette were validated with the same four items from Study 1; two measured perceived harm (M_{all} = 3.86, SD_{all} = 2.27, α_{avg} = .82), and two measured perceived violation of a behavioral norm (M_{all} = 3.98, SD_{all} = 2.00, α_{avg} = .74). The means, standard deviations, and a correlation matrix of the variables in this study are presented in Table 4.

Results

Analysis of the manipulation checks indicated that the vignettes containing harm were perceived to have more harm than those vignettes without harm, $F(1, 131) = 365.10$, p = .00, η_p^2 = .74, and those vignettes with a violation of a behavioral norm were

Table 4
Study 2: Means, Standard Deviations, and Correlation Matrix

Variable	*M*	*SD*	1	2	3	4	5
1. Moral awareness	0.00	1.37	—				
2. Harm	.50	.50	−.19*	—			
3. Violation of a behavioral norm	.50	.50	.43**	.00	—		
4. Utilitarianism	5.54	.73	.00	.00	.00	—	
5. Formalism	6.44	.52	.00	.00	.00	.30**	—

Note. $N = 132$, which indicates the effective sample size.
* $p < .05$. ** $p < .01$.

perceived to contain greater violations than those without violations, $F(1, 131) = 243.89$, $p = .00$, $\eta_p^2 = .65$. Also, the presence of a violation did not influence perceptions of harm, $F(1, 131) = 0.78$, $p = .38$, $\eta_p^2 = .01$, nor did the presence of harm influence perceptions of the violation of a behavioral norm, $F(1, 131) = 2.22$, $p = .14$, $\eta_p^2 = .02$.

To conduct regression analyses, moral awareness scores were centered—each response was subtracted from the manager's average response, which effectively removed variance due to a common respondent. Then, two three-step sets of regression models were created (see Tables 5 and 6). Main effects for harm and violation of a behavioral norm were significant in all models. In contrast to Study 1, in which no relationship was found, a significant negative interaction effect between the two issue characteristics ($p = .00$) was found in Study 2. Analysis of the cell means revealed that moral awareness was affected more strongly by the no harm/violation conditions, an inconsequential bribe ($M = 5.24$, $SD = 1.36$), than by the harm/violation condition, an injury related to ignoring company policy ($M = 4.59$, $SD = 1.37$). Because the interaction effect of the issue characteristics did not have a direct bearing on Hypotheses 3–5, I continued with the regression analyses.

In the utilitarian models, none of the interaction effects were significant. Most notably, the interaction effect between harm and utilitarianism was insignificant ($p = .23$). Thus, there was no support for Hypothesis 3. To the contrary, in the third formalism model, the interaction of violation of a behavioral norm and formalism was significant ($p = .00$), as was the three-way interaction between harm, violation of a behavioral norm, and formalism ($p = .05$). In addition, the incremental change statistic, ΔF, for Models 1 and 2 and Models 2 and 3 were both significant, which provided added support for Hypotheses 4 and 5. Figure 2 provides a graphic representation of the three-way interaction. Again, moral awareness is at its highest level when harm is absent, violation is present, and formalism is high. In addition, when harm is present but a violation is absent, formalism increases moral awareness (Δ moral awareness = .24). The p value of the interaction between formalism and harm, .09, supplied only limited evidence of the underlying argument that formalists respond to both issue characteristics. Finally, the R^2 value for the third formalism model, .48, suggests that the model explains a substantial amount of variance in the dependent variable.

Discussion

These results provided additional evidence that the presence of harm and the violation of a behavioral norm are positively related to moral awareness and that individual ethical predispositions

Table 5
Regression Results of Study 2: Utilitarianism

			Model 3[c]			
Variable	Model 1[a]: *B*	Model 2[b]: *B*	*B*	*SE*	η_p^2	95% CI
Constant	−.33*	−.94**	−.94**	.19	.17	−1.31, −0.57
Harm	−.51**	.72**	.71**	.26	.06	0.20, 1.23
Violation	1.16*	2.38**	2.38**	.26	.40	1.87, 2.90
Utilitarianism	−.00	−.06	−.08	.19	.00	−0.45, 0.30
Harm × Violation		−.244**	−2.44**	.37	.26	−3.18, −1.71
Harm × Utilitarianism		−.14	−.10	.27	.00	−0.63, 0.42
Violation × Utilitarianism		.25†	.29	.27	.01	−0.24, 0.81
Harm × Violation × Utilitarianism			−.07	.38	.00	−0.81, 0.68
ΔR^2		.21	0.00			
ΔF		15.48**	0.03			
R^2	.22	.43	.43			
Adjusted R^2	.20	.40	.40			
F	11.77**	15.63**	13.29**			

Note. $N = 132$, which indicates the effective sample size. Unstandardized regression coefficients are shown. CI = confidence interval.
[a] dfs = 3, 131. [b] dfs = 6, 131. [c] dfs = 7, 131.
† $p < .10$. * $p < .05$. ** $p < .01$.

Table 6
Regression Results of Study 2: Formalism

Variable	Model 1[a]: *B*	Model 2[b]: *B*	Model 3[c]			
			B	*SE*	η_p^2	95% CI
Constant	−.33*	−.94**	−.94**	.18	.19	−1.29, −0.59
Harm	−.51**	.72**	.72**	.25	.06	0.22, 1.21
Violation	1.16**	2.38**	2.38**	.25	.42	1.89, 2.88
Formalism	.00	−.33*	−.47**	.18	.05	−0.83, −0.12
Harm × Violation		−2.44**	−2.44**	.35	.28	−3.14, −1.74
Harm × Formalism		.06	.35†	.25	.02	−0.15, 0.85
Violation × Formalism		.59**	.88**	.25	.09	0.38, 1.37
Harm × Violation × Formalism			−.58*	.36	.02	−1.28, 0.12
ΔR^2		.25	.01			
ΔF		19.29**	2.67*			
R^2	.22	.46	.48			
Adjusted R^2	.20	.44	.45			
F	11.77**	18.06**	16.07**			

Note. $N = 132$, which indicates the effective sample size. Unstandardized regression coefficients are shown. CI = confidence interval.
[a] *df*s = 3, 131. [b] *df*s = 6, 131. [c] *df*s = 7, 131.
† $p < .10$. * $p < .05$. ** $p < .01$.

influence moral awareness by moderating their effects. Moreover, this study addressed many of the concerns that emerged in Study 1. For example, the reliability measure for the formalism construct demonstrated acceptable reliability (> .70), and the nonhypothesized three-way interaction of harm, the violation of a behavioral norm, and utilitarianism was insignificant, which suggests that the findings of Study 1 did not reflect a consistent relationship. In addition, although its effect size was small, the *p* value for the two-way interaction between harm and formalism, .09, added support for this implied relationship. Finally, entirely different vignettes were used in Study 2, suggesting that the relationships are not situation specific.

Nevertheless, one surprising result of this particular study was that the hypothesized interaction between utilitarianism and harm was not significant. This finding may be due in part to the unexpectedly powerful effects of the issue characteristics interaction effect, which are somewhat apparent in Figure 2. The figure illustrates that when harm was present and interaction effects occurred, changes in formalism resulted in minimal changes in moral awareness. When harm was absent and the interaction effect did not occur, changes in formalism resulted in large changes in moral awareness. Thus, the interaction effect may have been so powerful as to overshadow the moderating effects of utilitarianism on harm. Given the results of Study 1, the absence of these effects should be interpreted cautiously.

General Discussion

The results of the two studies are consistent with present theory on social cognition, moral intensity, and moral development. In

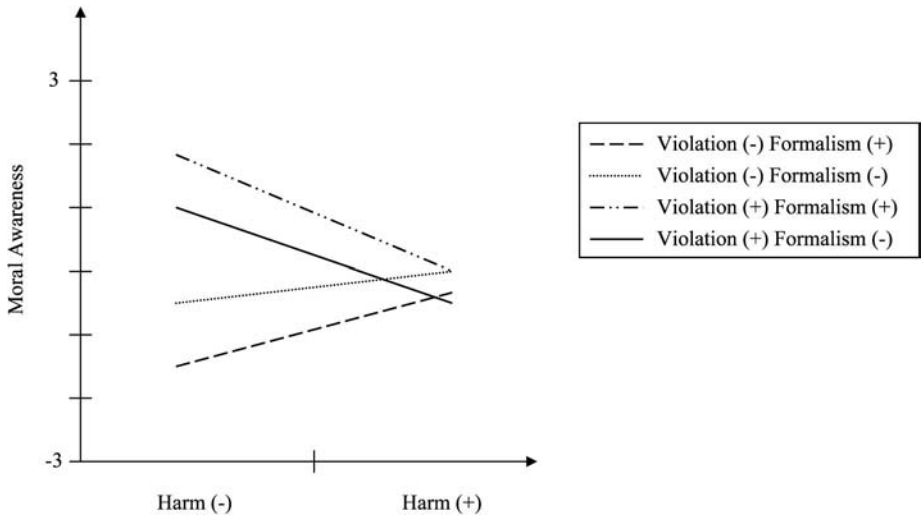

Figure 2. Three-way interaction of harm, the violation of a behavioral norm, and formalism. Plus and minus signs represent values one standard deviation above or below the mean, respectively.

both studies, ethical predispositions moderated relationships between moral issue characteristics and moral awareness, but formalism demonstrated a greater capacity to do so. In keeping with the stage comprehension principles espoused in theories of moral development, formalism seems to include or incorporate the patterns of utilitarianism into its overall framework and thus makes both consequences and norms accessible to decision makers.

These studies are not without limitations. Most notable among these is that each study relied on vignettes. Vignettes have been criticized because of their artificial and overly simplistic nature (Weber, 1992). Nevertheless, the vignettes were used as part of carefully designed experimental techniques and were subjected to numerous pretests to validate their conditions and enhance their realism. In that sense, their use was empirically justified (Cavanagh & Fritzsche, 1985). Future research could use other methodologies to verify and extend the findings of this study.

Despite any limitations, these studies have implications for several different literatures. First, the findings bring some coherence to the moral intensity literature while opening doors to new areas of study. Researchers have been converging on the two-factor issue characteristic model developed here (e.g., Butterfield et al., 2002) but have yet to fully articulate those two factors. This work makes the two characteristics apparent and reveals that although one factor, harm, is well developed in the literature, the second, which relates to behavioral norms and their violations, is much less so. That factor is only broadly defined here, so to the extent that future research can explore the multiple dimensions of this factor and the influence of each on the stages of moral decision making, there are numerous opportunities to make advances in this area.

Second, this research has implications for our conceptualizations of the moral decision-making process. Ethical predispositions are recognized as the principal criteria used to make moral decisions and therefore are normally associated with moral judgments (e.g., Beauchamp & Bowie, 2004). Although it is well-known that concerns for ends and means pervade the evaluation of moral issues, the findings of this research indicate that concerns for the ends and the means are also present at the birth of the moral decision-making process. Accordingly, this suggests that the stages of moral decision making may not be discrete elements of a formulaic thought process but may actually be interrelated in a very complex way such that the stages of moral intent, moral judgment, and moral behavior influence moral awareness as much as or more than moral awareness influences them. Thus, the results of this study suggest that an evaluation of our ethical decision-making models and the very assumptions upon which they are grounded may be justified.

The findings also have implications for theories of moral development. Though somewhat maligned over the years (Kohlberg, Levine, & Hewer, 1983), theories of moral development offered a reasonable basis for understanding the effects of ethical predispositions on moral awareness. Perhaps these results will encourage a reexamination of moral development theories in order to glean from their basic arguments insights into other areas of moral decision making. Although much research has been conducted on their details, it is possible that the emphasis on details has somewhat overshadowed the value of the basic principles these theories espouse.

The findings of this research also hold implications for practice. Most interestingly, the findings point to noteworthy differences between formalists, those who subscribe to formalistic ideals, and strict utilitarians, those who subscribe primarily to utilitarian ideals. The results suggest that whereas formalists are aware of all that utilitarians see, utilitarians are relatively incapable of comprehending much of what the formalists understand. It is as if both groups have eyesight, but one group is color-blind and therefore does not recognize one aspect of vision. From a cynic's perspective, this could suggest that formalists are overly sensitive to issues that involve the violation of a behavioral norm. From a more clerical perspective, these findings could instead suggest that formalists have an added responsibility inherent in their moral development of being their "brother's keeper" and being sensitive to the moral shortcomings of utilitarians. Regardless, these findings generate a plausible explanation of why reasonable managers may disagree about the relevance of moral reasoning to a particular issue and illustrate the importance of understanding individual differences in moral decision making.

The findings further suggest that when attempting to improve moral awareness in organizations, leaders should take the initiative to better educate managers about the moral value of rules, principles, and guidelines more generally. Improving managers' appreciation for such guides increases their ability to access moral frameworks in the face of not only harmful situations but also seemingly inconsequential violations of norms as well. This point is very relevant because many of the recent scandals began with simple violations of professional norms (accounting standards, consulting practices, etc.). Harm did not emerge until much later in the process. It is possible that if these organizations were populated with strict utilitarians, then these managers simply failed to see the moral aspects of their norm violations until it was too late. In this sense, these results suggest that if these managers had a deeper appreciation for formalistic principles, then such issues could have been recognized as moral issues and addressed appropriately before they became the moral catastrophes that they did. Thus, formalism seems to be an important key to improving moral awareness in organizations.

Finally, this research has substantial implications for the ultimate outcome of interest: moral behavior. Researchers and practitioners alike focus a great deal of energy on developing methods and programs to systematize and institutionalize ethics in organizations, but as this research suggests, a critical component of ethics resides at the individual level of analysis and is driven principally by how managers think about morality. Unless efforts to improve moral behavior in organizations address individual differences, such academic, organizational, and institutional programs are limited from the onset.

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Appendix

Research Vignettes

Vignette for Study 1

One of your most important customers, a medical clinic, called yesterday. They had ordered a product 10 days ago (products are normally delivered within 7–10 days), but it had not arrived. Quickly, you traced the order to the shipping office. You asked the shipping clerk about the order and she said, "I shipped it two days ago!" As you left the shipping office, you glanced at her desk and saw her shipping receipts. You could clearly see that the order was shipped [two days ago/this morning]. You called the clinic back to let them know the product was on its way. As you talked with them, you learned that the delay of the product had [not affected any patients in any way/allowed the condition of some patients to worsen quite dramatically].

Vignettes for Study 2

No Harm/No Violation

Last Monday, you were sitting at your desk examining a request that a customer had just faxed to you. The customer was proposing a project that would make a tremendous amount of money for your company but had an extremely demanding time schedule. Just as you were about to call the customer and accept the project, one of your employees, Phil, knocked on the door. He entered your office, politely placed a letter of resignation on your desk, and told you that he was sorry, but in two weeks, he would be moving to another state to be closer to his ailing parents. After he left, you thought about the proposed project and determined that even though Phil

would be gone, you could still meet all of the customer's deadlines. You called the customer and accepted the project.

Harm/No Violation

One of DenComp's manufacturing facilities contains five very large and very noisy pressing machines. The facility manager has always followed the state and federal regulations about noise control that apply to those machines, but the noise effects can never be completely eliminated. Doug, a long-time DenComp electrician who regularly works right next to the pressing machines (and always wears the proper equipment), came to your office and told you that his doctor has informed him that he has lost 80% of his hearing in his right ear, probably because of the work he does near the machines.

No Harm/Violation

Earlier today, a DenComp salesman who works in Iowa called you and told you about an experience that he had last week. One of his customers placed a small order of about $1,500 worth of product from DenComp's corporate headquarters. DenComp immediately shipped the package through a freight company, and it arrived the next day at the freight company's warehouse in Iowa. The salesman went to the warehouse just as it was closing and talked to one of their managers. The manager said that everyone had gone home for the day, but he assured him that the package would be delivered directly to his office the next day. The salesman knew that the customer did not need the materials for at least another 3 days, but he didn't want to wait. He placed a twenty-dollar bill on the counter and asked the warehouse manager one last time if there was anything he could do. The manager found the paperwork, got the product from the back of the warehouse, and brought it out to the salesman.

Harm/Violation

A manager in your area, Terry, drives a company car. Company policy states that corporate cars are to be inspected every 3,000 miles without exception. Terry last had her car inspected about 5,000 miles ago—she says that she "just doesn't want to be bothered that often." Today, Pat, a co-worker of Terry's, asked Terry for the keys to the car so she could deliver some artwork to a few customers. While driving on the highway, the car's breaks malfunctioned. The car spun out of control and came to a rest in a ditch on the side of the road. Pat's forehead struck the steering wheel, and she had to go to the hospital to get 18 stitches.

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Call for Nominations

The Publications and Communications (P&C) Board has opened nominations for the editorships of **Behavioral Neuroscience, JEP: Applied, JEP: General, Neuropsychology, Psychological Methods,** and **Psychology and Aging** for the years 2008–2013. John F. Disterhoft, PhD; Phillip L. Ackerman, PhD; D. Stephen Lindsay, PhD; James T. Becker, PhD; Stephen G. West, PhD; and Rose T. Zacks, PhD, respectively, are the incumbent editors.

Candidates should be members of APA and should be available to start receiving manuscripts in early 2007 to prepare for issues published in 2008. Please note that the P&C Board encourages participation by members of underrepresented groups in the publication process and would particularly welcome such nominees. Self-nominations also are encouraged.

Search chairs have been appointed as follows:

- **Behavioral Neuroscience:** Linda P. Spear, PhD, and J. Gilbert Benedict, PhD
- **JEP: Applied:** William C. Howell, PhD
- **JEP: General:** Peter A. Ornstein, PhD
- **Neuropsychology:** Susan H. McDaniel, PhD, and Robert G. Frank, PhD
- **Psychological Methods:** Mark Appelbaum, PhD
- **Psychology and Aging:** David C. Funder, PhD, and Leah L. Light, PhD

Candidates should be nominated by accessing APA's EditorQuest site on the Web. Using your Web browser, go to http://editorquest.apa.org. On the Home menu on the left, find Guests. Next, click on the link "Submit a Nomination," enter your nominee's information, and click "Submit."

Prepared statements of one page or less in support of a nominee can also be submitted by e-mail to Karen Sellman, P&C Board Search Liaison, at ksellman@apa.org.

Deadline for accepting nominations is **January 20, 2006,** when reviews will begin.