Moral autonomy in organisational decisions

Eva Evdokia Tsahuridu

Edith Cowan University
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Moral autonomy in organisational decisions

By

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BBus, MBA

A thesis submitted in fulfilment of the requirements for the award of the degree of Doctor of Philosophy in Management at the Faculty of Business and Public Management, Edith Cowan University, Churchlands, Western Australia, 6018

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USE OF THESIS

The Use of Thesis statement is not included in this version of the thesis.
ABSTRACT

The purpose of this study is to investigate the morality of persons in organisations and especially the effect of organisations on the moral autonomy of persons. In addition to reviewing the literature of moral autonomy in philosophy, psychology, sociology and organisation studies and management, the thesis also examines the ontology of organisations, moral agency and the organisation as a context. Based on this knowledge, a model is developed that addresses the relations of the organisation to society and the person to the organisation in ethical decision making. From this model the thesis develops three moral decision making categories. These are: moral autonomy, where persons are allowed to use their moral values, moral heteronomy, where the organisation provides such values and moral anomy, where there is a lack of moral deliberation and moral values.

Four research propositions are developed from this model. The propositions are that people are more likely to make morally autonomous decisions in personal life dilemmas than in organisational life dilemmas. In organisational dilemmas, it is proposed that the organisation will affect the morality of its members. In bureaucratic organisations, people are expected to make more anomic organisational decisions when faced with an easy and simple dilemma and more heteronomous decisions when faced with complex and difficult dilemmas. In clan organisations, people are expected to make more autonomous organisational decisions. In a market organisation, people are expected to make more anomic organisational decisions.
An exploratory primary research project is undertaken to test the model and the propositions developed. People from three Australian organisations that approximate Ouchi's (1980) typology of bureaucracy, clan and market organisations participated in the research. Managers and supervisors from each organisation were asked to assess the ethical climate of their organisation using Victor and Cullen's (1987, 1988) Ethical Climate Questionnaire. They also responded to Forsyth's (1980) Ethics Position Questionnaire and resolved and justified their resolutions to six organisational and six personal ethical dilemmas. These dilemmas had been assessed by two groups of MBA students for relevancy, complexity and difficulty.

The analysis of the primary data reveals that the three organisations have different ethical climates. It also reveals that the respondents from the three organisations do not differ insofar as they share similarly idealistic and relativistic ethical ideologies. They do however differ in the reasoning they use to resolve organisational and in some cases personal ethical dilemmas. People in organisation Alpha, the bureaucratic organisation, are more likely to make heteronomous decisions. People from organisation Beta, the clan organisation, are more likely to make autonomous moral decisions, and people from organisation Gamma, the market organisation, are more likely to make anomalous moral decisions.

These findings support the research propositions developed. More importantly, some people in organisations Alpha and Gamma did not perceive some
organisational dilemmas as ethical issues but only as business issues that are void of ethics. In addition, people from organisation Alpha in particular were more likely to try to avoid making a decision and suggest that someone else in the organisation should make the decision not the person facing the dilemma.

The findings suggest that organisations that rely on rules and regulations are more likely to remove the responsibility from ethical decision-making, and lead to avoidance of such decisions. The implications of these findings are discussed and opportunities for further research are identified.
CERTIFICATE

I certify that this thesis does not, to the best of my knowledge and belief:

(i) incorporate without acknowledgment any material previously submitted for a degree or diploma in any institution of higher education;

(ii) contain any material previously published or written by another person except where due reference is made in the text; or

(iii) contain any defamatory material.

Signature ______________________

Date 25.07.03
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1.1 BACKGROUND

The morality of individuals and social units has been of interest to philosophers since antiquity. Recently the moral decision making behaviour of individuals in organisations has received increased attention from researchers and writers working in a range of disciplines, the media, regulatory agencies and the general public. This research investigates the moral autonomy of people in organisations. Moral autonomy is the individuals' capacity to own and apply moral values in decision making with ethical implications. The model developed in this research is based on Golembiewski's (1989) proposal that organisational values need to be subjected to an external and transcendent moral order. It outlines the moral possibilities between the external moral order, the organisational world and explores three possibilities in ethical organisational decisions. These possibilities are moral autonomy, moral heteronomy and moral anomy. The impact of organisations on the moral decisions of their members is examined in terms of these possibilities and the implications that can be drawn from them.

The importance of the individuals and their decisions and their implications are examined here. Whilst accepting the significance of the group, the organisation and society at large (Liedtka, 1988), this research examines the individual both as a member of the organisation and as a person. The
organisation and society are addressed in the conceptual model and the relationship between them and the individual moral decisions is established. Individuals in organisations are described as hybrid creatures, as centaurs (Ahme, 1994) and mermaids (Tsahuridu, 2000). In both cases actions in organisations are described as not wholly personal, but rather as actions on behalf of the organisation and to a lesser extent on behalf of the person. The activities of individuals in business are the focus of this research, which seeks to provide an exegesis of the moral dichotomisation between personal and organisational lives.

The emphasis of this research is on the individual, since it is the individual who makes decisions that represent organisational actions and behaviour (Ahme, 1994), even if the individual does not necessarily affect his own conduct in the organisation. The individual in many organisations is not a person, but a person who fulfils a role or is subject to rules (Nesteruk, 1991b). The actions and behaviour of organisations are also not reducible to the decisions, behaviour, and actions of their individual members. Organisations are capable of knowing and doing more than their individual members are, so that they have a synergistic effect on the inputs provided by persons. People in organisations do of course remain human but they surrender some of their autonomy. Organisations provide the resources, tasks, goals, motives, knowledge, values, and objectives whilst the person contributes brain, muscles, eyes, and voice (Ahme, 1994, p. 29). Actions in organisations remain the actions of the individual but the requirements are different. The requirements of the assumption of roles in organisations impose an obligation.
upon the person fulfilling the role to serve a special function, that is to further specific interests of specific groups: "Public offices limit their occupants to certain considerations and free them from others, such as the good to humankind" (Nagel, 1978, p. 80). The paramount considerations in organisations remain economic, and in many the economic imperative defines good and value. Nagel claims that morality is complicated at every level, but "its impersonal aspects are more prominent in the assessment of institutions than in the assessment of individual action, and that as a result, the design of institutions may include roles whose occupants must determine what to do by principles different from those that govern private individuals" (p. 82).

People in many organisations are usually expected to, and rewarded if, they surrender their individuality because organisations encourage and expect obedience. In order for organisations to retain their freedom to pursue their interests, they must protect themselves from internal "conscience heroes" (Smith & Carroll, 1984, p. 95). Individuality is not coercively removed from people, but rather it is socialised out of them. It is converted to commitment to the organisation, which makes people freely adopt the organisational imperative and substitute organisational values for personal values (Scott & Hart, 1980). This commitment also provides security to members of the organisation, because it enables them to surrender the organisations' conscience determinations to top management (Smith & Carroll, 1984). Obedience is necessary for organisational effectiveness because it is essential to the chains of command, and it is something that organisations require and members of the organisations are ready and willing to provide.
The combination of the voluntary surrender of personal responsibility by members of organisations, and the expectation of obedience in the form of commitment by organisations, leads to the presentation of organisational decisions as technical. This frees both the individual and the organisation from ethical awareness in organisational decisions. Commitment and loyalty to the organisation is not necessarily an anathema, it is a necessary precondition of organisational citizenship. What is questionable is the lack of moral courage to think and act morally when such thoughts and actions are antithetical to organisational loyalty and commitment, and thereby surrender moral responsibility.

1.2 DEFINITIONS

1.2.1 Organisations

The term organisation is used to refer to a business or government organisation. An organisation's defining characteristic is its "primacy of orientation to the attainment of a specific goal" (Parsons, 1960, p. 17), a specified end (Hasnas, 1998). This characteristic distinguishes the organisation from other social systems. The features of organisations are (Ahme, 1994, pp. 25-27):

- affiliation, a relationship where a number of people are included and have promised to come back, whilst others are excluded,
- collective resources,
- substitutability, where the nature of the relationship is not dependent upon any particular person,
control, which in organisations implies authority, and affiliates have conceded to being controlled.

Business organisations are more flexible, explains Ahme, because employers can choose and dismiss their employees, the owners of the business organisation can choose the activities they participate in, and the capital of the business organisation is movable. Membership in organisations is effected through the employment contract. This contract differentiates between employment relations and other commercial contracts, because it surrenders the employee "at the disposal of the employer during a certain period of time to perform various activities within a zone of indifference" (Ahme, 1994, p. 66).

Simon (1976) defines an organisation as the pattern of communication and relationships in a group that provide information and assumptions, goals and attitudes to members. These elements permeate their decision-making. Under the influence of economics a business organisation's primary measure and symbol of success is profit, and it is thus fundamental to its goal structure. However profit should not be the primary goal of organisations, according to Parsons (1960), because profit making is not by itself a function on behalf of the society. This is also raised by Friedman's (1970, p. 69) definition of organisations, which he describes as "a social body organised for the accomplishment of a public purpose through the pursuit of private interest".

Duska (1997) emphasises the difference between the motives of business organisations and their purpose, recognising a business' motive is profit but its purpose is the provision of goods or services. Aristotle, however, perceived
the profit motive as a pathology, a defect of character, an unnatural and antisocial vice (Solomon, 1992b). Duska (1997, p. 197) argues that the view that the sole responsibility of a business is profit maximisation is "an insidious mistake". According to Duska, society accepts business organisations because they provide benefits but "no society would permit a system that did it more harm than good. The appeal to profit was a means to motivate more production but it was not the purpose of the production" (p.198). The same sentiments and beliefs were expressed by Tawney (1926) early this century:

Economic efficiency is a necessary element in the life of any sane and vigorous society...but to convert efficiency from an instrumental into a primary object is to destroy efficiency itself. For the condition of effective action in a complex civilization is cooperation. And the condition of cooperation is agreement, both as to ends to which effort should be applied, and the criteria by which success is to be judged. (p. 277)

Tawney (1926) expressed pessimism with the economic order in the beginning of the twentieth century, and any attempts of reconstructing that order. He observed that any such attempts neglect the observation that "since even quite common men have souls, no increase in material wealth will compensate them for arrangements which insult their self-respect and impair their freedom" (p. 278).

The eighteenth-century economist Adam Smith (1759/1976) also attributes people's action to conscience. He argues that human relationships are not merely market exchanges, and interest maximisation activities, but also
activities about psychic well being, which depend upon the approval of others. Such well being and approval, argues Smith, are based on acting morally not on enhancing wealth. Consequently, despite the selfishness attributed to the individual "there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him" (p. 9). Because human nature is in part moral we require business to satisfy criteria that are not purely economic or face recurrent revolts on the part of outraged human nature (Tawney, 1926). The limited attention to morality, if not absence of morality by persons in business may be the cause of the individuals' deprivation of the moral decision as to how they should live their life in western economies (Jung, 1958). A conscience in business, guarantees that people are moral even if not necessarily right (Fasching, 1981). Being moral requires attention to the means as well as ends. Being moral in business enables people to be aware of ethics when they are making decisions and acting for the organisation. Morality in business may not necessarily make business decisions right but it will make them good. It will enable the fulfilment of the essence of business which is value creation (Freeman, 1994). Business viewed as value creation is congruent with the Aristotelian approach to business ethics, which conceives business as "an essential part of the good life, living well, getting along with others, having a sense of self respect, and being part of something one can be proud of" (Solomon, 1992b, p. 114).
1.2.2 Ethics and Morals

Solomon (1998, p. 136) describes ethics as "a matter of ethos, participation in a community, a practice, a way of life" whilst morality is "doing right". Laverty (1969, p. 376) defines morals as "basic beliefs about right and wrong, good and bad" and ethics as the behaviour which results from moral beliefs, "ethics is the way we practice our morals". Jones and Verstegen-Ryan, (1997, p. 664) use the terms "morality or ethics as a set of standards by which humans regulate their behaviour in order to achieve the purpose of life". Rachels (1998) and Grace and Cohen (1996) also use the terms morality and ethics interchangeably and consider them synonymous. In this research the terms ethical and moral are used interchangeably and are assumed analogous.

The issue of what is ethical especially in relation to egoism must also be addressed. Ethical egoism states that persons should follow the greatest benefit for themselves (Vitell, 1986, cited in Upchurch, 1998). Egoism is not accepted as ethical because it fails to meet the moral criteria of rationality and impartiality that set the minimum requirements for morality (Rachels, 1986). Instead it prescribes the advancement of one's long-term interests (Shaw, 1999). Rachels argues that self interest promotes pragmatism or even hedonism but it does not involve ethics. Further, Hoffman (1983, cited in Shelton & McAdams, 1990) explains that morality is based on the premise that a person utilises ego capacities for ethical rather than egoistic ends and Plaget perceives egoctrism as a general feature of moral immaturity, not as a moral quality (Crittenden, 1990). In this research, egoism is perceived to exclude ethics because the ethical is doing what will not benefit oneself. Even
restricted egoism, the pursuit of one's self interest within the rules of the practice (Shaw, 1999) fails to meet the criteria outlined by Rachels. Egoism, it is argued here, leads to moral anomy, because others are not considered and decisions are based solely on self or organisational benefit.

1.2.3 Business Ethics

Business ethics is a branch of moral philosophy, which tries to bridge the economic motives and moral responsibilities of organisational entities and the individuals within them. The term business ethics is recent, despite the fact that morality and organisations have existed since antiquity. Morality existed before it was formalised in philosophy and moral philosophy, and there is evidence of "unsystematic and poetic articulations [of morality] before anything rational appeared" (Schneewind, 1998, p. 542). The rational appearance of western morality in the form of a philosophy is traced to Pythagoras, Socrates, Plato, and Aristotle. Morality however has existed since individuals first interacted socially, because its fundamental function is the preservation of the social group (Emlor & Hogan, 1992). Morality is a social phenomenon, involving the individual in its relation to other individuals. It is described as arising from the interaction of the native powers and dispositions of individuals' minds and their situation in the world (Staudlin, 1822, cited in Schneewind, 1998, p. 542). Being a self, according to Charles Taylor (1989), is being able to find one's standpoint in the space of morality, being able to occupy it and to be a perspectival point in it. For Taylor, a self is a social phenomenon because one is a self only among other selves, and is
defined with reference to those who surround it. Consequently, he argues that being a self is inseparable from existing in a space of moral issues, with identity and with how one ought to be. The separation of ethics from business finds life emptied of its meaning as a result of the effect of instrumental, capitalist and bureaucratic institutions where instrumentality reigns and the goals are at best utilitarian (Taylor, 1989). The individual, Taylor claims, has been removed from a rich community life and entered into a series of mobile, changing and revocable associations which are usually designed for highly specific ends. This makes relationships only through a series of partial roles. This is a problem in business ethics because people in business occupy several roles at once, and these roles may clash with each other or with the numerous personal roles people occupy (Solomon, 1992a). This is the pervasive problem in business ethics, argues Solomon, and more time and attention should be devoted to the legitimacy of roles and responsibilities, and the organisational structures that define these roles and responsibilities.

Ethics for the Immanuel Kant (1953) deals with the law of free moral action. Ethics is used to signify a number of concepts for numerous purposes and there is disagreement as to its status (Kant, 1953; Russell; 1987: Taylor, 1997). Greater disagreement exists about business ethics. Lewis (1985) found over three hundred definitions of business ethics. Business ethics includes, but can not be reduced to, ethics in business, argues De George (1989), who describes it as a field concerned with the individual and the group and the system the organisation, as well as the general political-economic system. The lack of consensus as to what business ethics is and what it
does, together with the relative infancy of the 'business' aspect of business ethics explains its current interdisciplinary nature. This may stem from the relative infancy of the contemporary business organisation and its effect on society and the individual. Most of the work in business ethics, comment Natale, Wilson and Cowell (1990):

emerges as a case-by-case analysis which is more akin to the legalistic approach to problems, relying on precedent and developed opinion, than to a systematic structure from which secondary and tertiary principles might appropriately be inferred. (p. 2)

This phenomenon is also supported by Schneewind (1991), who emphasises the work done on actual social and political problems, rather than on the body of ethical theory. To borrow Golembiewski's (1989, p. 35) medical analogy, most of the work in business ethics theory is concerned with autopsies rather than with the psychiatry or even the skeletal anatomy of organisations in relation to ethics. Normative theories do, however, exist in business ethics and they focus philosophical ethics upon those aspects of life that involve business relationships (Hasnas, 1998). The three leading normative theories of business ethics, are the stockholder, stakeholder and social contract theories (Hasnas, 1998). Hasnas describes the stakeholder theory as both empirical and normative. As an empirical theory, stakeholder theory prescribes a method for improving the performance of business, whilst as a normative theory it asserts that regardless of the effect on business performance, managers should manage the organisation for the benefit of all stakeholders.
Lewis (1985) synthesises a definition of business ethics from the literature and primary research on executives. He defines it as "rules, standards, codes, or principles which provide guidelines for morally right behaviour and truthfulness in specific situations" (p. 381). Nash (1993, p. 5) defines business ethics as "the study of how personal moral norms apply to the activities and goals of commercial enterprise". Nash does not perceive business ethics as a separate moral standard, but the study of how the business context poses its own unique problems for the moral person who acts as an agent of this system. Nash perceives business ethics as personal ethics in a different context, the context of business. This definition assumes a libertarian view and fails to account for the effect of the moral context on the moral person.

Empirical research evidence, however, strongly and emphatically supports the argument that the systems' expectations are stronger determinants of behaviour than individual morals (Reilly & Myroslaw, 1990), and that unethical behaviour is a system and not a people problem in organisations, because people follow the system's principles. Small's (1995) definition accounts for the context. He explains that "the study of business ethics is concerned with principles and values that govern the behaviour of a person or a group with respect to what is right or wrong, or to standards of right conduct in a business setting" (p. 1).

Solomon (1992a) sees the role of business ethics to be to clarify the dual citizenship of people in organisations, the organisational citizenship and the community citizenship. Organisations are not autonomous city-states but part of the global community. The aim of business ethical theory is, according to
Solomon, the cultivation of thought about lives of people in and out of the corporate context. This definition is accepted in this research. The issue that the research addresses is about understanding people's life in the organisation and possibly the effect of the organisation outside its context on people.

The use of the term business ethics is problematic because it implies a different kind of ethics from personal ethics. This project is not about increasing the chasm between persons and businesspersons but on the contrary about understanding businesspersons and identifying the conditions that will enable them to remain persons in business. So the terms business and organisational ethics are used to describe the distinctive types of dilemmas encountered by people in organisations, as explained by Kjonstad and Willmott (1995), and not as a different realm of ethics. The use of the terms does not imply that there should be different ethics in business than in personal life. This is the premise of the present thesis. The terms are used to explain ethics in business rather than business ethics. The researcher here agrees with Solomon (1992b) who insists that business ethics is not the superimposition of foreign moral values on business but it is about understanding the foundations of business. Similarly the reference to organisational dilemmas is not a reference to dilemmas that are not dilemmas persons face but to dilemmas persons encounter and resolve in organisations and on their behalf.
1.2.4 Autonomous, Heteronomous and Anomous Morality

The terms autonomy and heteronomy have been used by different disciplines, especially philosophy and psychology in their theories of morality. Philosophy emphasises the morality of mature persons, whilst psychology is more concerned with the development of morality. Anomy appears to have been neglected as part of those developments. Anomie has been developed and used in sociology to describe society and individual normlessness and lack of orientation. This anomie is based on anom (absence of law).

1.2.4.1 Moral Autonomy

Etymologically the word autonomy comes from the Greek roots *autos* (self) and *nomos* (law or rule/regulation). Autonomy is usually used to signify self-rule in the political and moral spheres.

Autonomy was initially applied in the political rather than ethical context, when city-states in Classical Greece were said to be autonomous or not autonomous from adjoining city-states (Marshall, 1996). Marshall identifies Plato's *Crito* as one of the first instances that the concept of autonomy may have been applied to an individual. Later Rousseau and Kant used the concept of individual autonomy. Autonomy is central to Kant's work in moral philosophy. In *The Groundwork of the Metaphysics of Morals*, Kant defines autonomy as "the property the will has of being a law to itself" (cited in Marshall, 1996, p. 86).
Autonomy in ethics is a person’s capacity for self-determination, the ability to see one’s self as the author of the moral law by which one is bound (Mautner, 1996). Autonomy in moral judgement is “an independent and self-legislative stance taken in making moral judgements in the domain of justice” (Tappan et al., 1987, p. 315). Dworkin, (1988, p. 34) outlines the general formulation of moral autonomy, by arguing that “a person is morally autonomous if and only if his moral principles are his own”.

Rawls (1972) defines autonomous actions as those that are based on principles that free and rational beings consent to. “The autonomous person is the one who makes the choice of his own life and, by a process of reasoned internal criticism, creates for himself a coherent set of principles and standards by which he regulates it” (Benn, 1988, p.10). Davis (1996) perceives autonomy as a function of the way a person decides. He characterises an autonomous act as one in which the agent had time for adequate reflection before acting and took full advantage of it. Autonomy has been defined and used to signify a number of concepts. Whatever autonomy is, comments Dworkin (1988), all authors agree that it is something persons have and it is a desirable quality to have. Its practice requires reflective reasoning.

Synthesising the conceptions of moral autonomy presented above, in this research moral autonomy is defined as an individual’s capacity to possess and apply moral values in making decisions with ethical implications.
1.2.4.2 Moral Heteronomy

Heteronomy is the antithesis of autonomy. It places the authority of the law outside one's self (Mautner, 1996) and represents the morality of duty, since the moral law is taken from sources other than the self (Piaget, cited in Tappan et al., 1987). It is taking one's morality from someone else (Anscombe, cited in Crittenden, 1993, p. 7).

Benn (1988) describes heteronomous people as those who receive their moral law ready made but retain the capacity to order their lives according to a law. Benn grants heteronomous people the capacity for independent judgement. This capacity is not however exercised and instead a borrowed law, which they have done nothing to make their own, governs them.

Kant (cited in Tappan et al., 1987, p. 343) describes the state of nonautonomy as heteronomy. Acting on account of one's desires, or for some goal, renders the action a means to a given end, instead of being seen as an intrinsically valuable end in itself. Kant, explains Mautner (1996), outlines four kinds of heteronomous principles that determine one's moral actions as a desire for the well being of oneself, social approval, increased perfection of oneself, or divine approval. For Kant, actions based on desires or consequences are heteronomous because they are not motivated by their inherent rightness but by their outcomes.
In this research moral heteronomy is defined as the moral values that originate from an external source, and are used by individuals in making decisions with ethical implications.

1.2.4.3 Moral Anomy

Anomy refers to the absence of law. Emile Durkheim developed the concept of anomy (anomie) to refer to a "condition of relative normlessness in a society or group" (Merton, 1968, p. 215). He emphasises the pathological state of industry as resulting in anomy, and that state is a consequence of the division of labour (Starkey, 1993; Toddington, 1993). Industrialisation has generally been identified as the cause of anomy. Fromm (1955) for example suggests that the experiences in industrial societies limit the possibility for leading meaningful and self-directed lives and make individuals experience powerlessness and paralysis, leading to alienation in organisations and society. Industrial societies, Fromm argues, provide the socialisation that strips people of their ability to take initiative because such socialisation contains the false belief that happiness is the outcome of material comfort and high levels of production. Similarly, anomy is defined as a state in which there is no legitimate end to one's desires, no goal, and no conclusion (Lindholm, 1997), a definition which also views anomy as alienation. Anomy is a condition where the traditional social bonds and personal ties have dissolved, leading to the dissolution of the individual's sense of attachment to society (Mautner, 1996). Symptoms of this condition include an increase in suicide and crime. Anomy was used earlier by Jean Guyay (1885), comments Mautner, to signify a futuristic morality independent of obligation and sanction.
This conception of morality would be guided by ideal values freely adopted by individuals, so it was closer to the idea of autonomy.

Anomy is defined as a moral lawlessness, in which there is no freedom, but only "a lack of orientation" (Benn, 1998, p. 183). Kuczmarski and Kuczmarski (1995, cited in Roshto, 1995) provide the following definitions of anomy:

- The lack of purpose, identity, or values in a person or in a society.
- Disorganization, detachment, or rootlessness.
- Normlessness - a condition of society characterized by a breakdown of norms that rule the conduct of people and assure the social order.
- Personal unrest, alienation, and uncertainty that comes from a lack of purpose or ideals.

Hampden-Turner (1970) describes anomous individuals as those who fail to conceive themselves as choosers, makers and testers of established norms. He defines anomy as meaninglessness and normlessness because the ability to choose between norms, combine norms and invest norms into the human environment enable people to discover human meaning. The lack of experiencing a dilemma by white Americans is, according to the observation of Silberman (cited in Hampden-Turner, 1970), the most ominous thing about the American Dilemma, the crisis between black and white. "The anomic person does not see and does not want to know. It is all too big and too complicated and besides what can he do?" (Hampden-Turner, 1970, p. 74) thus leading into a common experience by anomic people of becoming "a thing" (p. 75). Anomic people are often deluded, helpless, obedient, hostile,
conforming and cruel and their actions become meaningless and irrational. For action to be rational it must be both free and meaningful (Brubaker, 1984). These qualities distinguishes human action from natural events because "truly human action is rational, free and meaningful; natural events are non-rational, unfree and devoid of meaning" (p. 93).

In this research, moral anomy refers to the absence of ethical values in decision making.

1.3 RESEARCH FOCUS

This research determines whether individuals acting in and for organisations are able to exercise moral autonomy in making organisational decisions. It examines the impact that organisation entities may have on the moral autonomy of their members, and the possibility of moral heteronomisation and anomisation of people in organisations. The emphasis is upon how individuals make moral judgements within an organisational context, and not how they should make moral judgments. It is, in other words, an empirical investigation of the ethics in organisational and personal life.

This thesis also explores the impact that organisation entities may have on the moral autonomy, heteronomy and anomy of their members. Furthermore, it explores the variance of affect between three disparate organisations and the moral issue’s effect on the morality of individuals.
Autonomy in decisions that potentially have ethical implications is considered by the disciplines of philosophy, psychology and sociology as a human condition, a virtue, an ultimate state of being, the ultimate state of existence that humans may aspire towards, and the fulfillment of the human potential. The difference between disciplines lies in their perception of the likelihood of achieving moral autonomy in society. This will be outlined in the review of related literature.

This thesis does not perceive moral autonomy as necessarily leading to more ethical decisions than heteronomy, as it appears possible for heteronomous morality to be as moral as autonomous morality. It does, however, perceive moral autonomy to be right for persons even if both autonomy and heteronomy lead to good, because persons who exercise moral autonomy are ends in themselves and not means to an end. Anomy is a lack of moral orientation and it appears to be closely associated with the amoral, or lack of moral judgement of individuals and organisations. Moral anomy is different to immorality because the latter includes ethical values which the decision-maker chooses to violate and act against, whilst moral anomy is the exclusion of moral values, when their inclusion is warranted. Moral anomy, it is contended, in amoral organisations is responsible for the dichotomy between the moral private person and the amoral organisational being because the moral values that are applicable in private life are excluded in such organisations, where good and right is the profitable.
The research is conducted by adopting an interactionist approach in which organisation decision-makers are assumed to be affected by personal and situational variables when faced with ethical dilemmas, as well as by the ethical dilemma itself.

The proposition of the research is that as the difficulty and complexity of the ethical dilemmas increase people will be more likely to make heteronomous or anomalous moral decisions in the organisational dilemmas than the personal ethical dilemmas. Conversely, people are expected to make more autonomous decisions in personal dilemmas.

1.4 METHODOLOGY

The methodology of the thesis combines theories and research from philosophy, psychology, sociology and organisational studies and management in order to develop the model and the research propositions. It also includes primary quantitative and qualitative data and its analysis.

The primary research was conducted in three organisations that differ in the influence they exercise and freedom they allow to employees and it examines thirty or more managers in each organisation. The organisations chosen approach Ouchi's (1980) bureaucracy, clan and market types. They are referred to here as organisation Alpha, Beta and Gamma as they have been guaranteed anonymity. Organisation Alpha is a section in a government department and is a bureaucracy, organisation Beta is a health care provider
and a clan organisation, and organisation Gamma is a division in a public tertiary institution and is considered a market organisation.

The research instrument includes an assessment of the organisational ethical climate by the respondent, six organisational and six personal ethical dilemmas that require responses to open-ended questions, an ethical ideology assessment and demographic information. The choice of the 12 dilemmas used in this research was established from two phases of rating a set of 40 dilemmas by two groups of MBA students, to ensure their relevance to respondents and their comparability in terms of difficulty and complexity.

The organisational ethical climate was assessed using Victor and Cullen’s (1987, 1988) Ethical Climate Questionnaire (ECQ). The personal ideologies were assessed using Forsyth’s (1980) Ethics Position Questionnaire (EPQ). These two instruments were analysed quantitatively using SPSS 10. The responses to the dilemmas were coded by two raters in terms of the dimension provided by the ECQ and the EPQ. These codes were categorised quantitatively. The responses were also analysed qualitatively using QSR NVivo.

1.5 THESIS OUTLINE

This thesis is presented in nine chapters. Chapter 1 provides the introduction to the topic, basic definitions, the emphasis and methodology of the research and its objectives.
Chapter 2 provides a review of the literature of philosophy, psychology, sociology and their treatment of moral autonomy, moral heteronomy and moral anomy. This chapter provides the foundation for the theoretical model and supports the value of moral autonomy.

Chapter 3 focuses on business and business organisations. It explores the literature of autonomy in the business, business ethics and organisation studies literature. It addresses the issue of moral agency and the moral personhood of organisations, and looks at ethical decision making in organisations and the factors that affect it.

Chapter 4 addresses the individual and organisational factors that affect ethical decision making as well as the effect of the actual decision issue.

Chapter 5 presents the conceptual model and the research propositions. It analyses the components of the model and outlines the research design. The ECQ and EPQ measurement instruments used are also presented here, and their appropriateness and value justified.

Chapter 6 contains the methodology. It reports on the reliability and validity of the instruments used. It also outlines the dilemma rating and selection process and explains the analysis used to address the research propositions.
Chapter 7 relates to the quantitative analysis of the ECQ and EPQ and reports the findings. It provides descriptive statistics, and tests of significance.

Chapter 8 reports on the resolutions provided to the dilemmas in a descriptive form. It also reports the analysis of the justification codings which was also undertaken in a descriptive manner. Finally it provides the qualitative analysis of the justifications to the dilemmas, which was undertaken using QSR NVivo.

Chapter 9 discusses the findings and addresses the research propositions. It clarifies and summarises the implications of the findings on the research propositions. It identifies the limitations and constraints of the research and also the implications the findings have for people and organisations. Finally, it makes suggestions for future research.
CHAPTER TWO
A REVIEW OF RELATED LITERATURE

2.1 AUTONOMY

This review of the literature is framed by the disciplines of philosophy, psychology, sociology, and organisation studies. It primarily addresses moral autonomy, and secondarily moral heteronomy and anomy. It also looks at the ontology of organisations and related concepts that impact on individuals' autonomy. Theology and education also address autonomy. These disciplines are not covered in this review of literature, but their indisputable importance and contribution are recognised. Although they contribute to the general understanding of autonomy, they are covered sufficiently for the purposes of this research by philosophy and psychology respectively. Anomy is a concept addressed and developed more emphatically in sociology, with limited direct coverage in philosophy and psychology.

Most of the concepts and theories presented here are addressed by a number of theorists and writers through the ages. This literature survey does not cover all of them. Its purpose is to provide a foundation for the framework developed in this thesis and the research undertaken, and a comprehensive understanding of the major concepts.

The recent literature on autonomy is divided into three categories (Davis, 1996):

1. Personal autonomy in general philosophical literature.
2. Professional autonomy covered explicitly by a philosophical literature.

3. Workplace autonomy covered by a sociological literature.

Moral autonomy is contained in personal autonomy. It is concerned with the conditions of moral responsibility and moral goodness whilst the emphasis of general autonomy is the protection of moral agents from undesirable influences (Davis, 1996). In business ethics, personal autonomy is applied to the examination of the effect of the organisation on employees’ autonomy whilst moral autonomy is the moral evaluation of people in business and business relationships (Davis, 1996). Moral autonomy and personal autonomy are addressed in this review of the literature.

This recent distinction between personal and moral autonomy is not generally accepted however. Autonomy in the Kantian sense cannot be distinguished into personal and moral because autonomy of values is autonomy of persons in the moral realm and also in all spheres of life (Dan-Cohen, 1992). In business organisations however, it can be argued that personal autonomy but not necessarily moral autonomy is enabled. To further develop this theme, it is necessary to examine autonomy and the major philosophical, psychological and sociological conceptions of it, which are contained in this chapter.

2.2 MORAL AUTONOMY IN PHILOSOPHY

Moral philosophy, comments Schneewind (1991), has recently experienced a revitalisation of the Kantian view of morality, which accepts right as prior to good, and an increased emphasis on actual social and political problems.
Morality is also increasingly addressed in the Aristotelian manner, as a matter of virtue. Most importantly for this research, Schneewind identifies a rapid growth of interest in problems posed by the need to coordinate the behaviour of many individuals in order to achieve effective action. The emphasis is now placed on the issues that affect groups or communities of autonomous individuals instead of the historical concern of moral philosophy of the explanation and validation of the morally autonomous individual.

Moral autonomy is seen as an individual phenomenon by Kant (1785/1959), Schneewind (1991), and Rousseau (1762/1968) who adopt a libertarian position. Communitarians, like Nagel (1995), perceive it as an illusion in the context of society. Even by communitarians however, it is accepted as a necessary illusion that enables individuals to act as if they are autonomous. These perspectives and their implications for individuals in business organisations and organisations will be addressed.

2.2.1 Kant's Moral Autonomy

Immanuel Kant is credited with the development of the a priori knowledge of morality (Russell, 1912, p. 46). The general principles of ethics for Kant are like the principles of mathematics, discoverable a priori by thinking, and not by empirically generalising experiences (Ewing, 1965, p. 53). Kant is also credited with the provision of the most comprehensive account of moral autonomy (Dan-Cohen, 1992), which he perceives as the supreme principle of morality. He states:
But that the principle of autonomy ... is the sole principle of morals can be readily shown by mere analysis of concepts of morality; for by this analysis we find that its principle must be a categorical imperative and that the imperative commands neither more or less than this very autonomy. Kant (1785/1959, p. 59)

The ability of humans to act autonomously, in contrast to heteronomously, is what differentiates them from animals, according to Kant. In *The Critique of Practical Reason*, he describes autonomy as the "ratio essendi of morality; ie, it is through autonomy that morality comes to exist" (cited in Serrln, 1995, p. 6). It is because we have moral autonomy that we have moral agency and we have autonomy because we have rationality. A rational agent for Kant (1953, p. 35) is an end in himself if he authors the law which he is bound to obey and this is what gives him his supreme value. "It is precisely the fitness of his maxims to make universal law that marks him as an end in himself" (Kant, 1953, p. 35).

Kant, in *The Groundwork of the Metaphysics of Morals* (cited in Marshall, 1996, p 86), defines autonomy as "the property the will has of being a law to itself". In *The Critique of Pure Reason*, Kant uses autonomy as the fundamental law of practical reason, and states: "so act that the maxim of your will can always at the same time be valid as a principle making universal law" (cited in Marshall, 1996, p. 86). The end of practical reason is action, whilst the aim of theoretical reason is knowledge (Dodson, 1997). Practical reason explains Dodson, is concerned with the determination of the will. To determine the will, practical reason needs ideas, "and the objective reality of ideas is derived from the capacity of the will to be a cause of objects" (p. 96).
Kant states that we give objective reality to an idea "at least in the practical context, because we regard it as the object of our will as pure rational beings" (Kant, 1956, p. 16). The autonomy of practical reason provides the foundation of Kant's moral philosophy: the categorical imperative, unconditional duty, and the dignity of man (Serrin, 1995). Morality for Kant is autonomous and not in need of religious or utilitarian foundation (Edwards, 1996; Preston, 1996). It is based on reason, which is possible because of autonomy. He developed a science of morals based on the authority of human reason rather than the divine command and founded his approach on the rationality of humans. Rationality provides autonomy by locating the authority for moral decision within the person, not in external authorities like God or the law (Preston, 1996, p. 47). Kant sought to explain and establish an objective foundation of morality. That morality requires individuals to clearly distinguish between the categorical ought and is, a morality that cannot be grounded on experience (Bernstein, 1983). If these requirements are not met, Kant prescribed heteronomy as the outcome, and Bernstein adds moral relativism, a morality based on the context and time and place specific.

Kant's autonomy "presupposes both an autonomous normative criterion and an autonomous normative motivation" (Bielefeldt, 1997, p. 537). As such, ethics must be independent of sanctions. If it depends on reward or punishment it remains heteronomous, because moral behaviour would only be a means of satisfying empirical interests and needs. For Kant autonomous moral action cannot be reduced to a purely instrumental status. Thus for moral autonomy to be conceivable, one has to "assume a genuinely moral motivation which in principle differs from all empirical motive" (Bielefeldt, 1997,
Moral motivation is identified as the feeling of respect for one's self and others. Kant, attributes self respect to all rational agents, something all rational agents owe to themselves (Stark, 1997). Recognising one's self worth leads to respecting one's self.

Barrow (1975) and Peters (1974) identified in Kant's philosophy three conditions, besides being free from external control, for personal autonomy to exist. Namely:

1. The autonomous person must be subject to reason, rather than to emotions;
2. This reasoning must be authentic and not acquired or borrowed from someone else; and that
3. The person must have the strength of will to act as reason dictates.

An autonomous person then, acts on judgements through reflection, calculation and decision making. If a person is subject to emotions or he borrows his nomos and reasoning from external sources then the person is non-autonomous, ie heteronomous.

For persons to be autonomous they need to reason well and to behave well (Maciver, 1970). If a person is free from external control but does not have the strength to act in accordance with reason, again the person is heteronomous. Therefore, the person must also be strong in order to act as reason instructs him, and not as his desires or external influences suggest. Reason in Kant's morality dictates action, it does not merely suggest. The authenticity of reason implies that Kant's autonomous person is moral because it is rational, not because of belief in any external source.
MacIntyre (1993) describes Kant's moral philosophy as centred on two deceptively simple theses.

If the rules of morality are rational, they must be the same for all rational beings, in just the way that the rules of arithmetic are; and if the rules of morality are binding on all rational beings, then the contingency of such beings to carry them out must be unimportant — what is important is their will to carry them out. (p. 44)

This rational conception of morality is based on aprioritism. Practical reason is the only criterion of morality and is based on the self and no other external parameter. Rational morality, the outcome of practical reason, will provide principles that both can and ought to be held by all persons, independent of conditions and circumstances, as well as, be consistently obeyed by all rational agents at all times (Macintyre, 1993). The will's relationship to the rationally determined moral law is analogous to the relationship between an apple and the effect gravity has on it. As an apple does not have the option to resist gravity, so the will does not have the option not to follow a moral law (Dan-Cohen, 1992). This analogy captures the sense of inevitability of morality for Kant, according to Dan-Cohen, because once the moral duty is realised in a situation, the moral course is nonoptional. Dan-Cohen explains that Kant's autonomy is not about choosing but about willing. Willing is not about wiling moral choice but rather selecting a preferred option from a given choice set. Moral action then is the inevitable guidance of the will by a moral maxim that is relevant for the situation. Moral action when the moral duty is realised, in this sense, is not an option or a choice.
Persons are ends in themselves and they have morality through reasoning. The morality they develop is universal and it is exercised not out of choice but rather necessity. Persons are ends in themselves because they have freedom (Guyer, 1998). Guyer argues that Kant bases his conception of autonomy on freedom, because it has an inner value, that of dignity. Reason cannot constitute a cause because it cannot give people dignity. The moral puzzle is thus "why a free agent should choose to prioritize self-love over autonomy given the self-evident dignity of autonomy" (Guyer, 1998, p. 35). This conception places autonomy above egoism. It thus explains why it is reasonable for people to behave autonomously and therefore ethically because, as it was mentioned earlier, autonomy according to Kant extends to behaviour and action, not only reasoning. That is, it includes practical as well as theoretical reason. Kant thinks it is theoretically indemonstrable but not unintelligible that humans are all always free, comments Guyer (1998). What Guyer finds enigmatic is that some of us, some of the time "use our freedom to affirm the primacy of moral law over all other motives for action, and other times to affirm the primacy of self-love over the demands of morality" (p. 35). He finds this enigmatic because a morally good action is a free act to promote and preserve the possibility of further free acts and an evil act is an equally free act to destroy or damage the possibility of further free acts. Evil acts are thus both free and at the same time undermine freedom. Such acts are however not based on reason, therefore, will not fulfil the criteria for autonomous acts. Reasonable acts are based on choices that are willed by the autonomous decision maker, and such choices are ascertained by the
rational individual's reason. This explains the reasonableness of Kant's autonomy that all people can ascertain through thinking.

Moral duty is contained in goodwill, which is central to Kant's ethics. Kant's goodwill is not kind feelings towards another, but it is doing one's duty because it is one's duty and it is based on respect for the moral law (Ewing, 1965). Ross (1939) follows the Kantian understanding of duty and insists that moral acts are always one's duty to do and not motives, that is, one's duty is to do certain things, not to do them from a sense of duty. “And it should be added that the duty of cultivating the sense of duty is the duty of cultivating the sense of duty, and not (i.e. emphasis) the duty of cultivating, from the sense of duty, the sense of duty” (Ross, 1939, p.122). Ross also proposes that the motive plays no part in making one act one's duty over another, because duty is cultivated for its own sake, not based on motives nor even the duty of duties. Ross qualifies further that even the examination of one's motives in deliberating moral acts does not guarantee morality. Motives he explains may lead to either the absence of consideration of the sense of duty, or to the sophistication that one's duty would be that which is merely very pleasant.

Kant's conception of autonomy was addressed because it provides the most comprehensive and fundamental insight. It is an individualistic position that is being revitalised in moral philosophy and business ethics. It was also addressed because it provides the foundation for the most recent understanding of autonomy in philosophy as well as psychology and sociology.
2.2.2 Recent Conceptions of Kantian Moral Autonomy

Recent developments in moral autonomy are categorised into two contrasting views. One perceives autonomy as agent centred and the other as desire centred (Davis, 1996). The agent centred conception of autonomy perceives an act as autonomous if the agent is autonomous at the moment of the act, whilst the desire centred conception, perceives an act as autonomous if the desire that leads to the act is autonomous.

Representing the agent centered conception of autonomy, Dworkin (1988), presents the general formulation of moral autonomy as: "A person is morally autonomous if and only if his moral principles are his own" (p. 34). This leads to the familiar metaphor used by Dan-Cohen (1992) that describes the autonomous person as the author of his own life. For moral principles to be a person’s own, thus making the person morally autonomous, Dworkin offers the following prescriptions:

1. A person must be the author or originator of his moral principles.
2. A person must choose his moral principles.
3. A person’s ultimate authority or source of his moral principles is his will.
4. A person decides which moral principles to accept as binding upon him.
5. A person bears the responsibility for the moral theory he accepts and the principles he applies.
6. A person refuses to accept others as moral authorities, that is, he does not accept without independent consideration the judgement of others as to what is morally correct.
Autonomy is not easily identified or explained. It is "a term of art introduced by a theorist in an attempt to make sense of a tangled net of intuitions, conceptual and empirical issues, and normative claims" (Dworkin, 1988, p. 7). Analysing the concept of autonomy and specifying the necessary and sufficient conditions for its existence, drain it of the complexity that enables it to perform its theoretical role, claims Dworkin. He sees autonomy's connection to other notions, and its role in the justification of normative claims as more important than the specification of autonomy per se. Dworkin wants the concept of autonomy to be ideologically neutral. An ideologically neutral autonomy will not be valuable to individualistic ideologies only, such as Kant's, which perceive morality as essentially individual and view facts and values as logically distinct (Lukes, 1973). Dworkin rejects the definition of an autonomous person as the uninfluenced influencer and conceives autonomy as "the capacity to raise the question of whether I will identify with or reject the reasons for which I now act" (p. 15). Autonomy thus involves consciousness and reasoning and it reflects agents' reasoning, not their desires. Autonomy, according to Dworkin, is a second order capacity of people to reflect on their first order preferences, and to change the first order preferences in light of the higher order preferences and values.

The desire-centered conception of autonomy was originally developed by Frankfurt (1981) who expressed the idea of the relationship between second order desires and autonomy. He granted the autonomous person consistency between second order desires and first order desires, or the ability of second order desires to override first order desires. By exercising this capacity a
person, defines his nature, gives meaning and coherence to his life and takes responsibility for the kind of a person he is (Dworkin, 1988).

The desire-based conception of autonomy is a personal characteristic based on autonomous acts. These acts are derived from autonomous desires or autonomous motives (Davis, 1996). Autonomy is thus primarily a characteristic of desires and only secondly a characteristic of acts or persons. Wren (1997, p. 425) describes Frankfurt's personal autonomy that led to the emergence of a new account of autonomy in philosophy, as more complex and hierarchical. An agent's desires are contained in two levels, first order desires and second order or meta desires. First order desires are, or should be, subject to meta desires. The meta desires are shaped through moral consideration, as well as, deep wants and tendencies. Young (1980) defines autonomous desires as those that fit with a person's life plan.

Autonomy for Kant is a human condition. More recent conceptions of autonomy accept it as an ideal and something people in societies can approximate, but not always fully attain. This is an outcome of the shift towards the concern about autonomous individuals in communities or societies that was identified earlier. It is also an outcome of the development of psychology and sociology that will be addressed later.

Reasoning and coherence are the ingredients used by Benn (1988) for a morally autonomous person. He defines such a person as "the one who makes the choice of his own life and, by a process of reasoned internal criticism, creates for himself a coherent set of principles and standards by
which he regulates it" (p.10). Individuals are thus their own agents. Benn perceives autonomy preferable to the other moral possibilities of heteronomy and anomy. Rawls, who bases his theory on the Kantian conception of autonomy, also prescribes it for a well ordered society (Kukathas & Pettit, 1990).

The difficulty with autonomy increases when we try to place the individual in a society or organisation. Rousseau (1762/1968) formulated this problem as: "How to find an association which will defend the person and goods of each member with the collective force of all, while uniting himself with the others, obeys no one but himself, and remains as free as before" (p. 60). Individuals in societies must obey the laws of society, the collective that they have become part of, and yet remain autonomous. This can be achieved by extending the will of each individual to the collective will, which is reflected in the law of society and which each member commits to, as it is also a personal law. Thus each person in society obeys himself alone and remains free. So autonomy is not extinguished the moment the individual enters the collective, be that society, organisation or group, provided the laws and rules of the collective are also based on theoretical reason and allow practical reason. Kant claims that one is politically free if one is subject to one's own legislation (Adams, 1997).

2.2.3 Other Conceptions of Moral Autonomy

Communitarians find autonomy more problematic and less definable than libertarians, and argue that people are not what the libertarians conceive them
to be. The differences between them however are narrowing if not settling (Etzioni, 1996). Etzioni's (1996, cited in Fort, 1998, p. 347) revised communitarianism for example, emphasises personal autonomy as he states that the new golden rule is to "respect and uphold society's moral order as you would have society respect and uphold your autonomy". The settling between the two positions is also apparent in more recent libertarian accounts of autonomy. Nagel (1995, p. 37) formulated a libertarian conception of autonomy that appears possible and takes account of the community, is:

Although many of the external and internal conditions of choice are inevitably fixed by the world and not under my control, some range of open possibilities is generally presented to me on an occasion of action - and when by acting I make one of those possibilities actual, the final explanation of this (once the background which defines the possibilities has been taken into account) is given by the intentional explanation of my action, which is comprehensible only through my point of view. My reasons for doing it is the whole reason why it happened, and no further explanation is either necessary or possible. (My doing it for no particular reason is a limiting case of this kind of explanation).

Persons are autonomous to the degree that what they think and do in important areas of life can only be explained with reference to their own activity of mind, not by external rules or parameters (Barrow, 1975).

Explaining autonomous thoughts and actions must include a reference to autonomous persons' choices, deliberations, decisions, reflections, judgements, planning or reasons (Dearden, cited in Barrow, 1975, p. 135).

Barrow qualifies this definition with the fact that in practice autonomy will be a
matter of degree and there may in fact be other ideals that may conflict with autonomy. Autonomy for Benn (1988) is also an ideal which is rarely fully realised but which people approximate in varying degrees.

2.2.4 Autonomy and Freedom, Autarkeia, Autarchy, Anarchy.

Moral autonomy in philosophy is primarily concerned with the individual. This leads to its general criticism of not taking into consideration the socio-cultural elements that influence the individual's choices and provide the setting in which ethical decision making and behaviour materialises (Werhane, 1994). It is however, possible to consider the socio-cultural elements and retain autonomy if autonomy signifies self-rule, and not autarkeia (self-sufficiency), explains May (1994). Autonomy as self-rule, allows behaviour to reflect the agent's evaluative assessment and does not reflect self-sufficiency. This is in line with Dworkin's (1988) and Frankfurt's (1981) understanding of autonomy, but not Kant's.

It is also necessary to differentiate between autonomy and autarchy (Benn, 1988). Autarchic (self-directing) individuals satisfy certain minimal conditions of both cognitive and practical rationality, whilst individuals who do not satisfy these minimal conditions are, according to Benn, impulsive. Autonomy according to Benn (1988) goes beyond autarchy. “It is an excellence of character for which an autarchic person may strive, but which persons achieve in various degrees, some hardly at all” (p. 155).
Autonomy is also differentiated from anarchy. In the recently developed radical individualism epoch, where many perceive the moral law as relative and individualistic, autonomy appears a threat to societal order. Autonomy, however, cannot be exercised in anarchy (Dodson, 1997). Autonomy also does not lead to anarchy because it requires egkrateia (self-control) and not akrasia, which is the lack of "power or command over something particularly in a moral sense" (Small & Dickie, 2002, p. 4). Dodson rejects the idea of anarchy as the appropriate condition for moral agents. In such a state, each person would have the right to do what seems just and good to that person, independently of the opinion of others and without regard for the effect on others. True autonomy is collective in nature, comments Dodson, and requires mutual respect according to Kant. Autonomy is possible in society when a person is not subject to the will of any other person who has superior power, thus becoming heteronomous. The will of each person will include respect for each individual and will only treat other individuals as ends and never as means.

Finally, autonomy is distinguished from liberty and freedom (Dagger, 1986). Autonomy, explains Dagger, involves connotations of consciousness and the capacity to choose following reflection. These two characteristics are not present in the ordinary uses of liberty and freedom. Animals can be free or acquire their liberty but only humans can be autonomous. This understanding of freedom is what Bowie (1998) calls negative freedom. Positive freedom however is aligned with Kantian autonomy, and is the power persons have to be a law unto themselves. Hill (1992, p. 35) explains that a person is a law unto himself "if he adopts principles for himself and regards himself bound by
them and if he was not caused or even motivated to adopt them by any contingent circumstances (such as his desires).

Fromm (1942, 1949, 1955) is a psychologist, but a psychologist who contends that psychology cannot be divorced from ethics. Fromm (1942) differentiates between positive freedom (freedom to) and negative freedom (freedom from). Negative freedom, freedom from, leads to isolation and it results in the severance of ties amongst human beings. It is a burden that leads to individuals' attempts to escape from freedom altogether unless they can progress from negative to positive freedom. It leads to masochism and to other attempts of escape whilst positive freedom allows or enables an individual to exist as an independent self and yet not be isolated but united with the world, with other persons and with nature. "Positive freedom consists in the spontaneous activity of the total integrated personality" (p. 222).

Spontaneous activity is the quality of creative activity of one's free will. Fromm grants individuals who master positive freedom the capacity for organic growth, which in turn is possible only under the condition of supreme respect for others and oneself. Positive freedom is closely related and sometimes equivalent to autonomy (Lukes, 1973). Similarly positive liberty appears synonymous with autonomy. Berlin (1969, p. 131) presents positive liberty as:

I wish to be a subject not an object...deciding, not being decided for, self directed and not acted upon by external nature or by other men as if I were a thing, or an animal, or a slave incapable of playing a human role, that is, of conceiving goals and policies of my own and realizing them.
Autonomy in philosophy is perceived as a distinguishing characteristic of humans. It is based on the ability of humans to reason, and it is through this reasoning that they develop or understand the moral law. Reasoning also enables the moral law to become one's own, this ownership of the moral law is the possession and exercise of moral autonomy.

2.3 MORAL AUTONOMY IN PSYCHOLOGY

Moral philosophers since Aristotle have been concerned primarily with ethics as a practical concern which includes distinguishing right from wrong, whilst contemporary moral psychologists have been concerned mainly with the analysis of moral arguments (Kendler, 1992). Psychology is also concerned with the moral development of the person, unlike philosophy, which is concerned with the morality of mature adults (Crittenden, 1993). Psychologists have used the concept of autonomy to signify mature moral development (Petrovich, 1988). Moral psychology should not however be distinguished from normative ethics, but rather, it should emphasise that the phenomena it addresses are the medium of life, for real people (Solomon, 1998).

The issue of the moral development of individuals that is perceived to lead to autonomy is developed here. It is addressed by examining Kohlberg's (1976) theory of moralisation, which is based on cognitive developmental theory and not on social or psychoanalytic theories, because together with the theory developed by Piaget (1932), it provides the most explicit account of autonomy in psychology. Piaget's and Kohlberg's moral psychology is considered
"philosophically nuanced" (Wren, 1997, p. 425) because both follow a
deontological theory of morality. Autonomy in moral judgement is considered
by Kohlberg as "an independent and self-legislative stance taken in making
moral judgements in the domain of justice" (Tappan, et al., 1987, p 315).

Petrovich (1988, pp. 87-88) summarises the general criteria for autonomy in
psychology:

- An individual is morally autonomous if independent of any external
  influences.
- A standard, rule, principle, law or value is said to be autonomous if it is
  internal to a person's own conscience.
- General attitude to rules, laws etc., can be heteronomous, semi-
  autonomous or autonomous, according to the manner with which an
  individual relates to moral standards.
- Heteronomy and autonomy are seen as distinct types of morality,
  autonomy being synonymous with the ethics of mutual respect, whereas
  heteronomy represents the morality of duty.
- The domain of morality is regarded as autonomous since it has its own
  criteria of rationality.

Piaget (cited in Tappen et al., 1987) defines autonomous moral judgements as
those made under freedom, without reference to external parameters, such as
authority, tradition, and law for justification and validation. Heteronomy on the
other hand according to Piaget reflects "the ethics of authority and constraint"
(p. 330). Moral development, for Piaget (1932), proceeds from a
heteronomous to an autonomous stage. The latter is a more optimal stage,
because at the heteronomous stage the individual relies on a moral authority, tries to escape responsibility, and avoids critically examining the situation. Heteronomous morality is based on obedience to authority and to the rules produced by authority, whilst autonomous morality is based on reciprocity and equality among persons (Thomas, 1996).

2.3.1 Cognitive Moral Development

Kohlberg, expanding on Piaget's work, developed a theory of cognitive moral development (CMD), initially containing six stages (see Table 2.1). Kohlberg (1975) presents a more complex model of morality than Piaget. He recognises preconventional and conventional levels that represent anomy and heteronomy, and postconventional, representing autonomy, unlike Piaget's two-stage theory.

Beyond Piaget and Kohlberg, the consensus on moral development is generally contained in three levels (Crittenden, 1993; Thomas, 1996). Crittenden describes the levels as a pre-moral or perhaps 'proto-moral' (p. 265), which could be characterised by moral anomy, a middle stage where morality is heteronomous and a mature stage where morality is autonomous. Kohlberg's level one falls within the pre-moral class of morality. Level two is based on heteronomy and level three on autonomy. The three levels correspond with the egoism, benevolence and principle classes of ethical theory (Sims & Keen, 1997). Stage six contains "the moral point of view" (Colby & Kohlberg, 1997, p. 30), a point of view that all human beings should ideally take towards each other, as free and autonomous individuals. People
who reach level 3 in moral development differentiate themselves from the expectations and rules of others and define their values in terms of self-chosen principles (Kohlberg, 1976). People who reach that level are also more consistent between their moral judgement and moral action (Kohlberg, 1984).

Table 2.1
Kohlberg’s Cognitive Moral Development

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Preconventional-concrete individual perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 0</td>
<td>Impulsive amorality. No ethical reasoning.</td>
</tr>
<tr>
<td>Stage 1</td>
<td>Heteronomous morality: Obedience and punishment avoidance.</td>
</tr>
<tr>
<td>Stage 2</td>
<td>Individualism, instrumental purpose, and exchange.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level 2</th>
<th>Conventional-member of society perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 3</td>
<td>Mutual interpersonal expectations, relationships, and interpersonal conformity.</td>
</tr>
<tr>
<td>Stage 3⁄4</td>
<td>Conformity. Protecting rules and interests of specific institutions.</td>
</tr>
<tr>
<td>Stage 4</td>
<td>Social system and conscience, commitment to law and order.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level 3</th>
<th>Postconventional or principled-prior to society perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 5</td>
<td>Social contract or utility and individual rights.</td>
</tr>
<tr>
<td>Stage 6</td>
<td>Universal ethical principles, respect the rights of all people as ends.</td>
</tr>
<tr>
<td>Stage 7**</td>
<td>Natural or eternal law, respecting the cosmos as an integrated whole and all systems in it.</td>
</tr>
</tbody>
</table>

Based on Colby and Kohlberg (1987, pp. 18-19), Kohlberg (1976, p. 33) and Snell (2000, pp. 272-273)

* The transitional stage 3⁄4 is epitomised by the organisation man or woman, (Snell, 2000). The organisation person is the agent, who serves the principal, plays by the organisation’s rules and regulations and obeys the law.

** Kohlberg and Power (1981) eventually postulated stage 7 in the theory of cognitive moral development, a stage of religious orientation, to provide an answer to the question “why be moral?”, which Snell (2000) describes as natural or eternal law.
Initially, Kohlberg also proposed that every stage of moral development included two separate substages, a heteronomous substage – Type A and an autonomous substage – Type B (Tappan et al., 1987). Kohlberg's research sought to discover whether there existed an autonomous form of moral judgement on each of the six stages of moral development. Kohlberg proposed that substage B represents "the morally autonomous version of the judgement structure characteristic of a particular stage" (Tappan et al., 1987, p. 323). He also proposed that an individual would develop from Substage A of any level to Substage B but never vice versa. This was disconfirmed by Kohlberg's American longitudinal study (Tappan et al., 1987).

The basis of Kohlberg's work is about thinking morally not behaving morally. Kohlberg (1976) claims that the moral stages are related to cognitive advances and moral behaviour but the identification of the moral stage must be based on reasoning alone. As is the case with Piaget's theory, stage of development is not necessarily evident in the way individuals resolve issues with ethical implications. It is only the reasoning that individuals use to resolve ethical issues that is measured by cognitive moral development measures. The emphasis is not on changes in method individuals use to make decisions, but only on the content of the principles followed by the decision-maker (Kavathatzopoulos, 1994).

Kohlberg (1976) does however relate his reasoning stages to moral behaviour. He claims that in order to act in a morally high way one has to have a high stage of moral reasoning. One can follow stage 5 or 6 moral principles if one understands or believes in them. He accepts however that reasoning in a high
level does not necessarily lead to behaving in a moral way. "One can, ... reason in terms of such principles and not live up to them" (p. 32), because a variety of factors determine whether a person will act his or her stage of moral reasoning in a particular situation. Despite these limitations, moral stage has been found, according to Kohlberg, a good predictor of behaviour in experimental and naturalistic settings.

Kohlberg’s work is based on liberal individualism (Snell, 2000). Morality for Kohlberg, like Kant, is an individual phenomenon that is established and developed through thinking. Kohlberg perceives the stages of moral development as “universal, integrated, and invariant” (Thomas, 1996, p. 469).

Despite Kohlberg's continued dominance of moral psychology (Shweder & Haidt, 1993), he has been subjected to a number of criticisms. His major critic has been Gilligan (1982) who asserts that people have two moral voices regarding moral issues. Kohlberg, Gilligan claims, measures only the justice voice and ignores or misses the sophistication of the care voice. Kohlberg's research was based on male subjects. Gilligan's research provides some support for a different morality based on gender. However, recent research (Schminko & Ambrose, 1997) found that men and women use marginally different ethical frameworks in business ethics, with women more likely to use the Kantian approach. This finding may not necessarily support Gilligan's (1982) suggestion that women favour an ethic of care, unless women adopt masculine behaviours to achieve success in masculine organisations, which is a finding reported by Ely (1995). Ely further explains that the treatment of gender in organisational research as a personal component, "synonymous
with biological sex and universal across organisational settings” (p. 590) is inaccurate. Instead she argues that gender is a social construction whose meaning, significance and consequences, varies in different settings. Kohlberg (1981) found only one person in his research who reached his stage 6 of moral development, that person being a female social worker. This finding may also contradict the concerns that Gilligan raises about the lower levels attained by women in Kohlberg’s CMD.

Another criticism is that Kohlberg developed stages 5 and 6 because of the inherent limitations he perceived in containing morality within the context of a community. “He thus sought a standpoint for the rational creation of moral laws ex nihilo. This standpoint is illusory, and the mistake lies precisely in the attempt to escape the conditions in which moral considerations make sense” (Crittenden, 1990, p. 273). In the latest formulation of his theory however, he did emphasise the impact of the context on moral action (Kohlberg, Levine & Hewer, 1983).

Kohlberg, comments Snell (1996), presents the levels of his theory of moral judgement as representing distinctive forms of moral thought, unaffected by the particular content. The CMD is presented as an invariant and universal sequence of moral development, and as such it is a stage theory. Bandura (1986, p. 488) states his opposition to stage theories in general, and comments that “stage theorists assume that different types of moral thinking appear as integrated wholes in discontinuous stages forming an invariant sequence”. His primary reason for opposing these theories is that they predict stability in human behaviour that Bandura feels does not exist. They also
predict that a person's intellectual or moral capabilities are set by maturation and therefore intellectual or moral judgements one can make are set by one's age. Bandura (cited in Hengenhahn & Olson, 1997) believes that human behaviour is not that consistent, but rather it is circumstantial. The situation and the interpretation of the situation determine human behaviour rather than the stage of development, or traits or the type of person one is. Kohlberg, et al. (1983) concede that moral action is affected by not only internal psychological factors but by the context as well. Moral action, they comment, takes place in a social or group context and that context usually has a profound effect on the individuals' moral decision-making (p. 53). Individual moral decisions are almost always made in the context of group norms or group decision making processes, and individual moral action is often a function of these norms and processes rather than a function of the individual's internal psyche. Kohlberg refers to the group norms and processes as "the moral atmosphere" (p. 54), the sense of community that can be a very strong determinant of behaviour. Moral atmosphere, according to Kohlberg et al. (1983), influences not only the content but also the form of moral reasoning and action. Recent meta-reviews (Thoma, 1985 and Blasi 1980, cited in White, 1999) of correlations between moral development levels and behaviour, however, show correlation in over 75 percent of the studies between developmental level and behaviour.

Shelton and McAdams (1990) also comment on the inability of Kohlberg's CMD to address the content of a person's reasoning. It examines what a person thinks rather than how he thinks, and the moral action that may follow the thought. Similarly, Kavathatzopoulos (1994) proposed that Kohlberg's
theory does not promote the development of ethical problem solving ability as it is concerned solely with the moral content of the principles used by the problem solver.

Forsyth (1992a) claims that Kohlberg accepted a deontological model as the superior approach of making moral judgements, thus making other views immoral or at least inferior. Thus, according to Forsyth, making the naturalistic fallacy from this is how individuals make judgements (empirical) to this is how they should (normative). Kohlberg did however concede that the stages themselves are not a theory but descriptions of moral development (Kohlberg, 1976). He perceived them as descriptions that have definite and radical implications for the science of moralisation.

Despite the criticisms, Kohlberg's theory of CMD holds a prominent place in moral and developmental psychology (Rest, Narvaez, Cebeau, & Thoma, 1999). Kohlberg's moral development stages help identify 'the conditions necessary for human flourishing' (Beck-Dudley, 1996, p. 123). Kohlberg's preeminence is attributed to his success in providing support for the cognitivism position about the objective reality of justice, which for Kohlberg is the supreme moral truth (Shweder & Haidt, 1993). Moral cognitivism posits that qualities such as goodness, rightness, justice and beneficence are real and knowable, thus making moral statements true or false (Shweder & Haidt, 1993). Kohlberg, according to Shweder and Haidt, gained the upper hand over psychoanalysts, social learning theorists, and radical relativists in the cognitivism - emotivism debate. The cognitivist approach to moral development seeks to identify the intellectual skills and interpersonal
experiences that make apprehension of moral truth possible. Moral qualities for cognitivists are objective and universal, apprehended through reasoning, like they are for Kant. As such, morality can be appraised as true or false. Emotivism, on the other hand, sees morality as "a system of inculcated, reinforced, or introjected values, evolved to serve some pragmatic (nonrepresentational) function such as influencing people to do what you want, coordinating social activities, or balancing intrapsychic conflict anxiety" (Shweder & Haidt, 1993, p. 361). MacIntyre (1993, p. 12) defines emotivism as the "doctrine that all evaluative judgments and more specifically all moral judgments are nothing but expressions of preference, expressions of attitude or feeling, insofar as they are moral or evaluative in character". Emotivism is a reliance on personal desire being the sole incentive for action (Lindholm, 1997). Morality for emotivists is in the mind of the individual and cannot be the subject of truth or falsehood nor can it be judged against rational standards.

Psychology is being criticised for individualising the issues of autonomy and morality (Emler & Hogan, 1992). Emler and Hogan do not prescribe the abandonment of a moral psychology for a moral sociology, but identify the necessity of the inclusion of the effect of moral socialisation on the individual. Moral socialisation, they argue, even if its function is not to construct internalised controls, involves becoming receptive to forms of social controls and also becoming capable of social participation. Individualism the authors explain has emphasised the rights to self-determination, autonomy, non-interference, rights to preferences and other rights of the individual. Their objection to individualism is based on its silence in what they see as the
fundamental function of morality: “the preservation of the social group” (p. 216).

Generally, in psychology as in philosophy, autonomy is perceived as the preferable state of being and it is something persons may achieve with maturity in different degrees. The difference between autonomy and heteronomy is evident in the method used to resolve a moral issue, not on the philosophical content of the solution (Kavalhatzopoulos, 1994). In this sense, an autonomous decision does not necessarily result in a superior ethical decision to a heteronomous decision.

2.4 MORAL AUTONOMY IN SOCIOLOGY

The distinction between psychology and sociology is becoming increasingly unclear. Conventionally, psychology is concerned with the individual and sociology, with the group, the social institutions, social interaction, and society as a whole (Gordon, 1966). Recently however, sociology is increasingly concerned with individuals and the impact of the social on them. The aim of sociology is the social, and this may include either the “element or the entity of the social” (Aron, 1967, p. 11). The element is the microscopic relationships between people whilst the entity is the science of society as a whole, comments Aron. In this research, sociology is examined primarily in relation to the element of the social.

Ethics and sociology are necessary for understanding moral judgements and behaviour (Emmet, 1966). An autonomous ethics as prescribed by Kant, she
argues, removed from empirical facts and based on a priori principles that need to be self-authenticating and incapable of conflicting is not possible, because a judgement as to what is right has to be made in a situation. Sociology can be helped by moral philosophy about the character of moral judgments and it can help moral philosophy by enlarging the understanding about the situations in which moral judgements are made.

Sociology's work is contained in two extreme views (Bell, 1998). One extremity perceives society as the force that shapes the individual. Society provides to the individual the illusion of autonomy whilst in reality, it determines the individual's beliefs, attitudes, and behaviours because it is a system of social control. This view is in agreement with the communitarian view in philosophy. The other view, the minority according to Bell, perceives society as the product of individual and collective choices and decisions. The social order is constructed by the actions and interactions of purposive individuals, and these actions and interactions make social change possible. This view accepts the existence of unintended or unanticipated consequences that require correction. It perceives any problems in society as a result of the decisions individuals and collectives have made.

Autonomy needs to take into account both the individual and the social. Loewy (cited in Etzioni, 1996) expresses the necessary individual and social elements of autonomy as not existing in a vacuum but developed, enunciated, and ultimately exercised together in common life. He argues that:

to deny the social nexus of autonomy is threatening both to the social nexus and to autonomy. Persons cannot truly be persons outside
their social nexus or outside their community, and the community cannot exist, develop, thrive, and grow without the unique contributions of the individuals within it. (p. 156)

"A moral philosophy characteristically presupposes a sociology" (MacIntyre, 1993, p. 23). Morality is a social phenomenon. It is born and exercised in society, in the community of human beings. Morality is necessary and evident when individual interaction takes place. Society then presents the arena for morality. Philosophy and psychology, as well as sociology commonly accept this. Sociology however, goes further and views society not only as the arena of moral behaviour but also the source, or the womb of morality. In the general sociological understanding, society provides morality to its members who then exercise their individual morality in society. Individuals are then responsible for their own conduct in relation to the social order of the society they live in, since it is that social order that defines good and right in society. What is an important distinction in sociology however is the difference between consensus and conformity. Consensus is perceived as an indispensable condition for life in society. However, "when consensus comes under the dominance of conformity, the social process is polluted and the individual at the same time surrenders the powers on which his functioning as a feeling and thinking being depends" (Asch, 1995, p. 21). This understanding is not far removed from the Kantian understanding of the individual in society. Kant, too, talks of a consensus between the individually constructed moral law with that of society's. The difference lies in the source of the moral law, which for Kant is and should be established through the individuals' thinking and not provided by society, as is the case of sociology.
A duty to act morally is found in the sociological literature as well. Durkheim (1965), like Kant, proposes that individuals have a duty to act morally but unlike Kant he proposes that the moral act should also appeal or be desirable to the agent. Durkheim, explains morality as:

1. For an act to be moral, it must not be satisfying only individual interests, or have as its objective the perfection of the individual from an egocentric point of view.
2. If the individual does not constitute a moral end in himself, this is also true for the other individuals.
3. If a morality exists, then it can only have as object the group formed by the associated individuals. (p. 37)

Each collectivity at any given time has its own morality, postulates Durkheim. Unlike Kant and Kohlberg, Durkheim proposes that morality is derived from society and not from the individual.

Lukes (1973) defines an autonomous individual at the social level as a person who subjects the pressures and norms confronting him to conscious and critical evaluation. The autonomous person then forms intentions and reaches practical decisions as the result of independent and rational reflection. In sociology as in philosophy and psychology, the requirements for autonomy include critical evaluation and rationality. Autonomy in the individualistic models (Kant and Kohlberg) is attributed to reason, whilst on the social model to internalised cultural norms inflccted by experience (Suber, 1992). Sociology, warns against conformity but also against deep attachment to autonomy. Such a concern, argues Knights (2000), leads to preoccupation
with order, harmony, and stability or a concern to eradicate the contingencies of both social theory and everyday life.

What followers of the atomic theory of the self, such as Kant and Kohlberg, call autonomy, advocates of the social or relational model of the self call self determination (Suber, 1992). "Autonomy, in its broadest sense, is about self determination" (Radin & Werhane, 1996, p. 256). Weber, explains Toddington, (1993, p. 41) describes the moral goal of human beings as the overcoming of the unfree elements of their existence as natural beings thus becoming fully human. This can be achieved by the autonomy of self-government and by the coherent values and meanings of a consciously formed personality.

2.4.1 Social Development

Autonomy is possible in society if individuals subject society's values and influences to a conscious examination. Society and its forces enable the continuous improvement of individuals. As such the moral selves are neither removed from their context nor determined by the context in which they are immersed (Johnson, 1993). Johnson, instead argues "for a self-in-progress, that is, a self neither alienated from, nor completely submerged in, its acts, but has instead an identity that is both revealed in and transformed by its experience as it develops over time"(p. 33). May (1996) also perceives the self as a process rather than an essence. Seen as a process, a self is evolving and developing and is a product of social influence but it can also modify some of those influences. May combines the two conflicting views of
sociology and argues for a self who is the influencer as well as the influenced, "such that part of what influences us also allows us to change that which influences us" (p. 17). In this sense, the self is not the uninfluenced influencer (Dworkin, 1988) but is instead a conscious influenced self that also has the capacity to influence. This comprehension, the ability of persons to allow their selves to be influenced consciously, overcomes Suber's (1992) suggestion that it is impossible to distinguish between the nurturance that constitutes the self from coercion and manipulation. It also makes possible the distinction between one's true desires and one's desires that have been cultivated, despite the fact that one's selfhood is continually being developed and shaped by one's social influences. Social theory does prescribe that there is a continuum of development and eventually there is something called a "self" that can make self determining decisions but there is nothing but gradations of gray between zero and full self determinism (Suber, 1992).

Dewey (1962) sees individuality as a potentiality, a capacity of development, even if initially it is spontaneous and amorphous. He describes it as "a unique manner of acting in and with a world of objects and persons" (p. 168). Individuality can be formed according to Dewey only through the interaction with the actual conditions of the world and it cannot be complete in itself. Individuality is possible because persons have the capacity to act voluntarily. Dewey (1980, p. 172) describes all voluntary action, as a remaking of the self. Voluntary actions for Dewey enable individuals to pursue their interests as well as search for their identity (Quinn, Reed, Browne, & Hiers, 1997).
Quinn et al. (1997) propose a view that perceives rationality as intersubjective, not instrumental. Intersubjective rationality is not the possession of an isolated atomic individual. It is a rationality that enables the moral self to examine the actions, attitudes and commitments that enable and expand the possibility for meaningful and harmonious experience and human interaction in community (Johnson, 1993). Personality is developed through voluntary action, and is determined by sociality and individuality, the corresponding qualities of socialisation and individualisation (Maciver, 1970). Individuality, for Maciver, is the quality and power of self-determination and self-expression, which helps in the development of personality along with the social environment.

Neither the undersocialised perspective of individuals acting in isolation, nor the oversocialised perspective of individuals abiding to norms and culture, adequately explains behaviour (Granovetter, 1992). Human behaviour is about the individual in the situation.

Social learning theory is based on the assumption of determinism rather than agency (Waterman, 1992). It holds that a person's moral formation involves the acquisition of rules or norms of behaviour from that person's external environment (Crittenden, 1990). Ethical choices in human behaviour involve value judgements. These judgements are not based on free will or voluntarism but they are determined. Causation, Gordon (1966) explains, is pervasive throughout the universe even if scientifically it cannot be proven at all times at a given time, with the exception of quantum physics. As a result only determinism exists.
Shriver (cited in Walton, 1997) views humans as largely responsible for their acts even if they are not fully responsible for their character, since training, parental care, economic circumstances etc. affect it. Even if determinism explains behaviour, it does not deny the imposition of responsibility to the individual, because both the free will or voluntarist and determinist views hold individuals responsible for their actions (Gordon, 1988). The reason every human collective holds its members responsible for their actions is the survival of the collectivity. Responsibility, for Gordon, is ethically judging actions and providing penalties if necessary and it is important because the feeling of responsibility provides a psychological feeling that becomes a causal factor of future behaviour. "The individual's feeling of responsibility or accountability is an indispensable link in the causal chain. Due to the fact that individuals cannot be aware of the causes and connections of their decisions and behaviours, they act "as if he or she had free will" (p. 37).

Generally, in sociology autonomy is perceived as essential for human functioning in groups. The view that perceives society as the source of values and the view that perceives society as the outcome of individual functioning accept the indispensable value of moral autonomy and the necessity of its practice.

2.5 A CONCLUSION

Johnson and Smith (1999) use Raphael's (1981) moral philosophy to argue that the main value of moral philosophy to the businessperson is its ability to
facilitate critical reflection and not in the provision of clear guidelines that provide optimal solutions. Moral autonomy as described in this chapter requires reasoning and critical reflection. In all disciplines and beyond the disagreements as to the source and development of morality, moral autonomy encourages such reflection. As a consequence persons have capacities because of the autonomy they are able to develop and practice, which differentiate them from all other beings.

The perceptions of moral autonomy described in this chapter loosely follow its chronological development. The understanding of moral autonomy as something valuable if not essential for human functioning is necessary for the development of the conceptual model of this research. Moral autonomy is accepted in the disciplines of philosophy, psychology and sociology as something that is necessary, possible and preferable.
CHAPTER THREE
A REVIEW OF AUTONOMY IN BUSINESS RELATED LITERATURE: ORGANISATIONAL EMPHASIS

3.1 ORGANISATION STUDIES

The concept of moral autonomy in philosophy, psychology and sociology presented in the previous chapter was based on theoretical and normative as well as empirical theories. Autonomy in the normative and empirical organisational literature, refers generally to the degree of freedom, independence and discretion individuals have in organising and executing their work tasks (Stone, 1998). This conception of autonomy is based on the characteristics of the job and the freedom and discretion the job provides to the employee to plan, schedule and decide work procedures. This autonomy is one of the characteristics of the job characteristics model developed by Hackman and Oldman (1980). The same concept at a group level is an autonomous work team, a team that has freedom to decide how it is going to achieve objectives the organisation has provided.

More recently, autonomous business units have been used to enable organisations to deal with change and complexity (McKenna, 1999). These business units require autonomy of a new variety in the organisational context. They require autonomy as positive freedom. The transition from autonomy as delegation to autonomy as devolution is described by Limerick and Cunnington (1993). They describe autonomy as a relationship between the organisation and a member of the organisation, and a set of characteristics that are required for that relationship. Delegation is the right an individual may be given to make
decisions on behalf of the organisation, and it can be compared to negative freedom outlined earlier (Fromm, 1955). Delegatory autonomy provides freedom to members of the organisation to decide how they are going to accomplish their prescribed tasks and functions, not the tasks and functions themselves. The individual becomes free from the controlling organisation only in terms of process, not in content, and is allowed to find ways to accomplish what the individual is required to accomplish. Devolutionary autonomy gives individuals in the organisation the right to make decisions on their own behalf. Devolutionary autonomy provides positive freedom, freedom to decide on the means as well as the ends.

Autonomy as task independence and discretion has become something many organisations now consider, enable and promote. More important than work or task autonomy is the moral autonomy that people in organisations may or may not have, because as Jos (1936, p. 6) explains, it involves “the ability to make conscious choices, without being impelled by instinct or dominated by social circumstance”. Moral autonomy in business organisations is more problematic or unique than personal autonomy, not because morality differs but rather because of the status and influence of the organisation.

### 3.2 Morality in Organisations

Ethical decisions in organisations are more convoluted than individual ethical decisions, as these decisions are also affected by organisational factors and often become organisational decisions. Organisational decisions and actions are public decisions. Public and private life has been distinguished in the
philosophical and business literature. McMahon (1994) describes public as the sphere of the social mechanisms that make it possible for people with conflicting aims to live together, whilst private is the sphere where people with coincidental aims associate. Machiavelli's central thesis was that successful leaders must have a special ethical code for their public life, one that differs from their private moral code (Badaracco, 1997). Isaiah Berlin (cited in Badaracco, 1997, p. 108) also concurs and states that "public life has its own morality" and Russell (1964) identifies two sources of ethical beliefs, the political and the personal. Public morality and private morality are derived from the same source, but contain different elements that are derived independently from that source (Nagel, 1979). Nagel also agrees that the morality of public life cannot be identical to the morality of private life, because the former requires different elements.

Public morality is primarily concerned with the ends, the consequences of decisions and actions. Maritain (cited in Rohr, 1989, p. 67) argues that public morality must not be 'hypemoral', which he sees as dangerous as amoral. Hypemoral, Maritain explains, is a moral stance that applies ethical norms for interpersonal relations in public situations, as he alludes to deontological ethics. The application of standards of friendship and justice in public life are not only irresponsible, but morally wrong, because the effects of acts based on those standards are greater, and have the potential to affect numerous people (Hampshire, 1978). Thus, claims Hampshire, public policies must be judged by their consequences, by their ends, and not by their intrinsic value, or means. Russell (1964) also stressed that political decisions cannot be judged by personal values, because the ends in political decisions are more important...
than personal decisions. In public decisions it has been said, "at times the best is enemy of the good" (Rohr, 1989, p. 67). Rohr prescribes the good and not the right for public decisions, because of the possibility of the best resulting in bad. Russell (1964) prescribes both public and personal morality as necessary for a good world; the first for the survival of the community and the second for the value of survival.

Virtu and not virtue is what Machiavelli uses for the moral code of public life (Badaracco, 1997). Virtu is a combination of "vigour, confidence, imagination, shrewdness, boldness, practical skill, personal force, determination, and self-discipline" (p. 108), and is necessary, because not everyone is virtuous. Machiavelli thus argues that public life has different values, and public relationships are different to private relationships. Machiavelli's thesis is based on consequentialist (teleological) morality (Hampshire, 1978). The label Machiavellian has become a "negative epithet, indicating at least an amoral (if not immoral) way of manipulating others to accomplish one's objectives" (Hunt & Chonko, 1984, p. 30).

More recently and closer to the contemporary organisational context and reality, Carr (1963/1939) argues that men in business are trying to do unto others as they hope others will not do unto them, again suggesting differences in values between the public and private. Ladd (1970/1969) reached the same conclusion as Machiavelli. He emphatically states that social decisions, actions performed by an official as actor but owned by the organisation as author "are not and cannot be governed by the principles of morality, or, if one wishes, they are governed by a different set of moral principles from those governing the
conduct of individuals as individuals" (p. 115). Ladd thus deduced the impropriety of expecting organisational conduct to conform to the ordinary principles of morality.

Carr (1968/1989) also suggests that business has its own set of rules, and these rules are an integral part of the game, and unless these rules are followed, an executive is unlikely to accumulate power and money. Carr actually states that "in the last third of the twentieth century even children are aware that if a man has become prosperous in business, he has sometimes departed from the strict truth in order to overcome the obstacles" (p. 108-109). Fraedrich, Thome and Ferrell (1994) comment that based on empirical research conducted, these rules are "often very different" from non-business situations. Ladd and Carr, outline the existence of an amoral business context that does not and should not include the moral values of personal life. The amorality of business has developed by the distinction between ends and means, and also scientific rationalism. Simon (1976) has argued that, in administrative science, unless facts are kept uncontaminated by values, the risk of not being scientific exists. He states:

The proposition 'Alternative A is good' may be translated into two propositions, one of them ethical, the other factual: 'Alternative A will lead to maximum profit'. 'To maximize profit is good'. The first of these two sentences has no ethical content, and is a sentence of the practical science of business. The second sentence is an ethical imperative, and has no place in any science. Simon (1976, pp. 249-250).
These references support and even encourage the distinction between public and private morality. They seem to be ignoring Aristotle's dictum that advancing in sciences but falling behind in morality is going backwards not forward. They also reflect the exclusion of ethics from neoclassical economics that resulted from the Enlightenment and continued in the twentieth century, reflecting the influence of Weber's value-free social science doctrine (Rothschild, 1993). This separation of ethics from economics is the model upon which business and management theory and practice are based (Cummings, 2002). This has led to what Freeman (1994) calls the separation thesis, the idea that ethics and business are independent realms.

Machiavelli's dichotomisation of public and private morality is conditionally accepted by Tawney (1926) who characteristically claims that:

To argue, in the manner of Machiavelli, that there is one rule for business and another for private life, is to open the door to an orgy for business of unscrupulousness before which the mind recoils. To argue that there is no difference at all is to lay down a principle which few men who have faced the difficulty in practice will be prepared to endorse as of invariable application, and incidentally to expose the idea of morality itself to discredit by subjecting it to an almost intolerable strain. (p. 187)

Tawney (1926) attributes the division between public and private morality to the division of ethics and economics that resulted from the Reformation. Prior to that division, economics was a branch of ethics and ethics a branch of theology, retaining human activity in a unified scheme, characterised by the spiritual
destiny of man, Tawney explains. The next two centuries that led to the
Restoration also led to religion being converted from the keystone holding the
social edifice to a department within it, “and the idea of a rule of right is
replaced by economic expediency as the arbiter of policy and the criterion of
conduct” (p. 273). The unified concept of life that existed prior to the
Reformation is replaced by a dualism which views the secular and the religious
aspects of life, not as stages within an entity, but as “parallel and independent
provinces, governed by different laws, judged by different standards and
amenable to different authorities” (p. 273). This dichotomisation of life is what
led to capitalism, according to Tawney. Provided the secular and the religious,
the individual soul and the intercourse of a person with other persons in
business and societal affairs keep to their own territory, there will be peace,
according to Tawney, because “they cannot collide, for they can never meet” (p.
274). “From a spiritual being, who in order to survive, must devote a
reasonable attention to economic interests, man seems sometimes to have
become an economic animal, who will be prudent, nevertheless, if he takes due
precautions to assure his spiritual well-being” (p. 273). This separation of the
ethical and the economic has led to the separation of private morality and
business activity.

In the business arena, it has been expressed repeatedly that personal values
are not applied in organisational decisions. Wong and Beckman (1992) note
that the difficulty of application of personal moral principles to business
decisions renders personal values unconsidered in business decision making.
Generally they argue “people in business are not ethically insensitive on a
personal level but many of them experience difficulty in reconciling their
personal values and business demands" (p.173). Schrager and Short (1978, cited in Clinard & Yeager, 1980, p. 64) believe that individual personality is unimportant in organisational criminal behaviour, as it results from role fulfilling rather than individual pathology. This is supported by Dan Drew (cited in Steiner & Steiner, 1991, p. 203), a nineteenth century religious benefactor, who describes business as void of sentiment and of the morality that applies in personal life:

> Sentiment is all right up in the part of the city where your home is. But downtown, no. Down there the dog that snaps the quickest gets the bone. Friendship is very nice for a Sunday afternoon when you're sitting around the dinner table with your relations, talking about the sermon of that morning. But nine o'clock Monday morning; notions should be brushed aside like cobwebs from a machine. I never took any stock in a man who mixed up business with anything else. He can go into other things outside of business hours, but when he's in the office, he ought not to have a relation in the world - and least of all a poor relation.

The differences between private and public life are not only examined in terms of the different moral standards that developed and are considered appropriate or applicable in each, or the appropriate emphasis on ends and means; but also in terms of different decision making processes. Organisational and private decisions are different because the personal decisions cannot ordinarily be delegated, whereas the organisation decisions are often, if not always delegated (Barnard, 1938, p. 188). Delegation of decision making reignites the agency issues that will be addressed later. If a decision is delegated then it is assumed that the 'delegatee' will be responsible for that decision,
responsibility will include moral responsibility. In organisations however, delegation does not include only delegation of a decision-making activity. Delegation also includes objectives, goals, options, and means the decision-maker has available to him. Barnard (1938) identified another difference between personal and organisational decisions. Personal decisions involve a number of subsidiary decisions that the same decision-maker must make. The organisational decisions may involve a decision-maker making an important decision, and many other decision-makers making the subsidiary decisions, all acting organisationally not personally. This assists in the dilution of responsibility and the lack of ownership of decisions. Research by Brief, Dukerich and Doran (1990, cited in Glover, Bumpus, Logan, & Ciesla, 1997) and Schwartz (1968) indicate that personal values of individuals influence the choices to ethical dilemmas only when the individuals would be held accountable for their choices. Another distinction of organisational decisions is that their reasoning needs to be made explicit and cannot be justified by intuition, as many private moral actions can (Hampshire, 1978). The explicit reasoning is necessary due to the consequentialist requirement and as a defence of the policies that one follows and an explanation of why the person is following them, claims Hampshire. In private morality individuals are not obliged to calculate consequences or to express their reasoning. It can, or deontologists would say, should be based on the means and not the ends. Private morality is "not principally a judgement of calculable consequences, but of more complex and disparate values; and also of some values which do not involve calculation of consequences, in matters of love and friendship and fairness and integrity" (Hampshire, 1978, p. 50). Today however, there would be very few writers who would express the opinion that fairness and integrity
are not values that apply in public morality. The complex moral problems of institutionalised life, which are impersonal and personal, "call for more intelligence in diagnosis and more resource in moral judgement and moral courage than do those of a purely personal morality" (Emmet, 1966, p. 214). The impersonal side of institutional moral problems requires this, but it also allows responsibility to be evaded.

Solomon (1998) provides the antithesis to the separation thesis identified by Freeman (1994) and claims that "the undeniably humane aspects of corporate life are ignored or denied while the more brutal features are highlighted or even celebrated" (p. 531). Solomon argues that there is caring and compassion in most organisations. Managers care for their employees, and intelligence without compassion is not good management. The ethics of business should be the ethics of the good life and living well in society, thus enabling managers to get respect and to care and show compassion. This will require different images of business. Managers need to overcome the "brutally competitive and chauvinist images" (p. 531) in which they conceive their activities.

Based on the preceding literature, morality is generally perceived in two general ways. As the morality of persons in their life, as perceived by Kant (1953) and Kohlberg (1981) or as a collection of moralities that persons may use depending on the roles they fulfil (Ladd, 1970/1988; Russell, 1964; Tawney, 1926). This collection of moralities results in what constitutes a person. The distinction between public and private morality rejects the notion that persons have a moral law that they apply in their life, and instead prescribes different moralities depending on the context or sphere in which morality is exercised.
This compartmentalisation of life is criticised by MacIntyre (1999) who attributes responsibility for it to both individuals and societies and leads to the dissolution of persons.

The distinction between private and public morality rests on the assumption that moral agency is attributable to persons and not collectives such as organisations. Recently, however, the demands that call for the examination of the possibility or reality of a collective moral personhood, are increasing (French, 1979, 1985, 1996; Garrett, 1989; Sandelands & Stablein, 1987; Weaver, 1998). The organisational moral personhood and agency developments have great implications for business ethics and the autonomy of the individual in the organisation. Although unity of views has not been achieved, there is increasing acceptance that the organisation does have something called moral personhood (Metzger & Dalton, 1996; Nesteruk & Rissor, 1993). The issue of the organisation's moral personhood affects the private-public morality distinction because if the organisation is a moral agent, then that has great implications for the individual in it, the individual's moral autonomy and the moral responsibility for organisational actions.

3.2.1 Moral Agency

Agency theory is present in several business related disciplines. In the business context, it generally addresses the duties of an agent to another party. In this sense, one person (the agent) acts for another (the principal) (De George, 1992). This kind of agency in agency theory is ethically neutral, comments De George, concerned primarily with ensuring the least costly
compliance of the agent to the principal. This however, renders agency in economics and related disciplines, which recognise material self-interest as a unitary value, not neutral as they proscribe moral autonomy. In the agent–principal relations, De George, describes three applicable principles (pp. 65-67):

- Agents are not ethically allowed to do what the principals are not ethically allowed to do.
- Agents cannot exonerate themselves for unethical actions because they are acting as agents for principals. Agents are responsible for the actions they perform, whether they are under command or on behalf of another.
- The principals are morally responsible for the actions of their agents. Agency involves the delegation of authority but not the complete delegation of (or abdication from) responsibility.

The agency relationship in this sense does not define the moral relationship but takes place in the moral milieu (Bowie & Freeman, 1992, p. 9). Morality is thus not excluded from the agent-principal relationship and the behaviour of principals and agents, thus limiting the nurturing and prescription of moral anomy. The relationship of principles-agents is a relationship that is developed and defined in the moral realm.

Moral agency contains the prerequisite for autonomy and moral action. Moral philosophy has a long tradition recognising that to be a moral agent is to be autonomous or self directed (Rachels, 1997). The central concept of moral agency is responsibility, which is related to moral cognition, motivation, and autonomy, as well as virtue, moral weakness, self-esteem, shame, and guilt.
(Wren, 1997). To act as moral agents, persons must think of themselves as moral agents (Macintyre, 1999). This, according to Macintyre, includes claiming an identity, understanding oneself as a practically rational and accountable individual, as well as the performer of particular roles. Macintyre also prescribes the two fundamental virtues of integrity and constancy. To have integrity is to set inflexible limits to one’s adaptability to the roles one is called on to play in different social contexts. Constancy is the pursuit of integrity through extended periods of time. Moral autonomy is synchronous with integrity and constancy.

Dodson (1997) views autonomy as the fundamental attribute of moral agency, the self-legislation or the capacity of the will to give laws to itself. The self-legislated laws bind the moral agent and enable the retention of autonomy in societies and social groups. The argument, expressed in Chapter 2, of the retention of moral autonomy in society can be applied to organisations as communities. Beck-Dudley (1996) accepts the organisation as a community. Solomon (1992b) and Brewer (1997) agree and further call it a practice. In a community or a practice it is possible for people to retain their autonomy, if the laws that govern the community or the practice are the laws that each rational moral agent legislated for himself. That is, the laws that govern organisational life must be the same as the laws that each member of the organisation has legislated for himself for his life. In such a catastrophe, each moral agent will be bound by laws that he legislated based on practical reason. These moral laws will be applicable to every person in the organisation, without distinction as to rank and hierarchical level, because they would be based on each member’s will. This will enable moral autonomy and the eradication of the private-public
distinction of morality. Heteronomy would exist when an individual member of the organisation is subject to the will of other members of the organisation who have superior power. In organisations moral autonomy becomes possible if individuals have input in the organisational functioning, they thus obey the law they have legislated themselves.

An agent in ethical theory is any entity that acts, is subject to ethical rules, is a rational being, and is not an agent for anyone or anything else (De George, 1992). These characteristics make a moral agent's actions subject to moral evaluation. The point that moral agents are not acting for anyone else makes them an end in themselves, worthy of respect and never to be used as a means by others, De George comments, following a Kantian understanding of persons. This point is also important for conscience and the attribution of moral praise, moral blame, moral responsibility, and moral accountability.

Rachels (1997) provides an argument for the incompatibility of belief in God and moral autonomy, and his argument is objectionable in relation to God. However, if his criticisms for surrendering moral agency to God are transferred to surrendering moral agency to the organisation, one appreciates the impact of the de-moralisation of persons in organisations. Rachels claims that to follow someone's directions no matter what they are and no matter what one's conscience directs one to do, is to opt out of moral thinking and abandonment of one's role as a moral agent. So the "they made me do it" explanation in organisations does not absolve people in organisational decisions and actions. Moral agency should not be abandoned to the organisational altar, and to
achieve moral agency in organisations, both people and organisations must develop a community that enables autonomy.

The moral agency of organisations also needs to be addressed because if organisations are moral agents they also have responsibilities that affect their own and their agents' moral autonomy. Carson (1994) identifies the difficulty of moral agency in organisations and uses Steinbeck's *The Grapes of Wrath*, to address organisational moral agency and the difficulty of assigning organisational actions to individuals as well as the assignment of all individual actions to the organisation. The three main views of the ontology of organisations are the organisation as a moral person, the organisation as property and the organisation as partial moral person. The organisation as a community or a moral world does not perceive organisations as persons, but accepts the influence they have on people and groups.

3.2.2 Organisations as Moral Persons

The prominence and interest in business ethics led to an increased interest in the ontology of organisations in general and business organisations in particular. For this research it is important to clarify who is the moral agent in the organisation-person dyad, because moral agency implies responsibility and autonomy as has been discussed in the previous section. Moral personhood contains moral agency, and moral agency contains moral autonomy and responsibility.

French (1979/1988, 1996) argues that organisations possess moral agency because they possess an internal decision making structure with policies, rules and procedures. The corporate internal decision (CID) structure according to French (1996), provides two sets of rules: organisational rules, which distinguish the players, their rank and the lines of responsibility, thus providing the grammar of decision making; and policy and procedure rules that provide the logic of organisational decision making. French (1996) views organisations as complete members of the moral community because of their capability to perform intentional actions, in and of themselves. Intentional actions for French (1996) are not based on a desire/belief complex as he initially proposed (French, 1979), but rather are planned, or undertaken intentionally to accomplish goal(s). Intentional actions are thus schemed, designed and even premeditated. French (1995, p. 12) uses Austin's understanding of intention where 'I intend to' is a 'future tense' of the verb 'to X', like 'I promise to X' and possessing the force of 'I shall X'. Garrett (1999) also relies on the intentionality of organisations to attribute moral agency to them. He holds that "corporations are moral agents because the reciprocal adjustment of individual intentions and plans that takes place in such organizations yields corporate intentionality that is more like human intentionality than it is like the efficient causality that might be attributed to blindly operating social wholes such as markets" (p. 536). Finally, Weaver (1998) attributes moral agency to
organisations because they are intentional systems that are language users and are adaptable to multiple personalities and McKenna (1996, 1999) contends that the structural features of the organisation subordinate the intentions of biological persons and synthesise those intentions into a corporate decision.

Sandelands and Stablein (1987) extend the debate and raise the possibility that organisations are mental entities capable of thought. They conclude that even though they do not categorically prove the existence of the organisation mind, they do find substantial ground to warrant further research into the issue. "One cannot expect a mind based on behaviours in organizations to be isomorphically identical to a mind based on the physiology of the human brain" (Sandelands & Stablein, 1987, p. 149). Such an expectation they call a homocentric fallacy. The premise adopted by many organisational theorists that organisations do not make decisions only people do, they claim, limits these theorists to only examining decisions in organisations without ever considering the possibility of decision making by organisations. In contrast, the organisation mind concept suggests that to understand decision making in organisations, it is not enough to describe what is in the minds of the members of the organisation, as individuals may know more and less than organisations (see for example Weick & Roberts, 1993).

3.2.3 Organisations as Property

The antithesis of the view that organisations are moral persons, is the structural restraint view. This view perceives organisations as artificial persons and as such possessing only artificial responsibilities, "but 'business' as a whole cannot
be said to have responsibilities, even in this vague sense” Friedman (1970/1984, p. 126). Ladd (1970/1988) also supports this view, while Ewin (1991) sees the moral personality of corporations as severely limited and exhausted by their legal personality. The personality of organisations for Ewin is restricted to requirements, rights and duties, and not one that is capable of virtue and vice.

Ladd (1970/1988) claims that the principle of the exclusion of the irrelevant is part of the language game. The language game of social decisions permitted actions to be attributed to organisations rather than the individual, but it did not contain concepts like “moral obligation”, “moral responsibility”, or “moral integrity” according to Ladd (1970, p. 119). These terms are however found in the contemporary lexicon of organisations (De George, 1985; Garrett, 1989; Sharp-Paine, 1994; Solomon, 1992b). Nesteruk and Risser, (1993) provide the conception of slavery which in the past defined the slaveholder as person and the slave as property, as a case in point. The fact that today the personhood of organisations appears problematic in many regards is not proof that they do not possess it. Ladd (1970/1988) differentiates between corporate acts and personal acts based on the goal they are directed towards. Ladd, claims Heckman (1992), determines good and bad actions by the achievement of organisational goals. He thus considers any act that does not lead to goal attainment an individual act and any act that leads to organisational goal attainment a good act. This consideration eradicates the possibility of a bad organisational act. Ladd concedes however that the moral schizophrenia of organisational ‘rationality’ and individual morality must be resolved by somehow surrendering neither. Ladd, appears to prescribe to the amoral view of
organisations by stating that "hence individual officers who make the decisions for and in the name of organization, as its representatives, must decide solely by reference to the objectives of the organization" (1970/1988, p. 119). A business organisation is unable to consider moral issues in its decision making, he claims, thus making the organisation more akin to a machine rather than a moral agent. Ladd's view appears congruent with the amoral calculator model of decision making described by Vaughan (1998, p. 26). She describes that model as "When an organisation experiences structural strain to achieve its goals, individuals acting in their organization roles weigh the costs and benefits of their actions, choosing to violate laws and rules to attain organization goals".

3.2.4 Organisations as Partial Moral Persons

The third view attributes secondary moral agency to organisations, and holds both organisations and persons responsible. Nagel (1979) for example argues that the guilt for organisational wrongdoings may be attributed to individuals just as private wrongs. The responsibility of the public wrong however, is partly absorbed by the moral defects of the organisation through which the act is undertaken. The responsibility that can be attributed to the organisation, he claims, is in inverse relationship to the power and independence of the actor. Another view is that organisations possess restricted personhood (Nesteruk & Risser, 1993). They possess personhood because the organisation is a moral agent due mainly to its internal decision making structure, but it can also be understood as property in the service of human interests. These interests are not necessarily the individuals' within the organisation who make the decisions,
because as agency theory claims organisations are managed to satisfy the needs of the principals, the shareholders/owners.

Werhane (1989) views corporations as collective secondary moral agents because although they cannot act, they create anonymous policies and practices that are not traceable to individuals, but upon which corporate activities are based. Velasquez (1992) also sees organisations as having moral duties and moral responsibilities in a secondary sense. Similarly, Wilmot (2001) sees organisations as having moral agency and as such moral responsibility but a responsibility that is limited because it depends on a more limited autonomy. These views perceive individuals who underlie the corporate organisation as the primary bearers of moral duties and responsibilities.

"Human individuals are responsible for what the corporation does because corporate actions flow wholly out of their choices and behaviours" (Velasquez, 1992, p. 19). Derry (1987) criticises Velasquez (1983) because he claims he is not reducing the organisation to its members, and he recognises the system of relationships and rules, which define the organisation beyond a collection of individuals. Derry's criticism rests on Velasquez's (1983, p. 18) denying "a reductive view of corporate acts" but supporting a "reductive view of moral responsibility". De George (1990) also restricts the moral duties and moral responsibilities of corporations to the avoidance of immoral ends for which they are formed and immoral means by which the ends are pursued. Corporations according to De George can thus not be expected to act from moral motives but avoid doing what is morally prohibited, thus rendering organisations amenable to moral evaluation but in the absence of moral personhood per se. De George (1986) in his analysis of General Motors however, grants moral agency to the
corporation as it is capable of acting and thus liable to moral evaluation but he does not confer moral personhood to it.

Frederick and Weber (1987) attribute moral responsibility for organisational acts to organisations and individuals. Personal values, according to them, are involved but may not be central to decisions and acts, because they constitute only a portion of the total value structure of any organisation. The organisation is thus morally responsible due to its values and traditions, and not the individuals who make and carry out decisions. Individuals' responsibility is however not extinguished because they agree to abide with the organisation's rules and procedures. "For the values that underlie those rules and procedures are generally thought to be instrumental in directing that person's work. In that sense, an individual member agrees (perhaps only tacitly) to participate in the morality or immorality whichever it may be, implicit in the organization's value system" (p. 149). Further, a person cannot be absolved from responsibility because a person making a moral decision is a moral agent, even though the person may or may not recognise that moral issues are at stake (Jones, 1991).

Metzger and Dalton (1996) after reviewing the debate of organisational moral agency, conclude that those who deny organisations moral agency on the grounds that they insufficiently resemble human beings, need to subject their assumptions about human beings to more rigorous scrutiny. Seabright and Kurke (1997) have challenged these assumptions through the examination of the current psychological, sociological and economic views of the self. The traditional model of a stable, monolithic self has been replaced, they claim, and an image of a dynamic, differentiated self emerges in the disciplines examined.
The arguments that are thus based on ontological assumptions such as that the organisations are more complex, variable and loosely coupled than individuals, are not supported by Seabright and Kurke (1997). The argument that corporations are not morally responsible for their actions "because they are somehow less real or whole than the individuals that compose them" (p. 103), is therefore questionable. McMahon (1995) however asserts that regardless of the ontological status of organisations, they should not be accorded citizenship in the moral realm in their own right because only individuals can have rights and duties.

The organisational moral personhood and agency has been the subject of intensive and extensive debate. Most of the views and writings originate in philosophy, addressing a metaethical question. These attempts try to establish the organisational moral personhood, which in turn enlightens the organisational moral responsibility debate. The two extreme views that have developed are:

- organisations are moral persons and as such morally responsible for their behaviour and actions, and
- organisations are structures and not persons and thus cannot be morally responsible for actions and behaviours that individuals undertake on their behalf. This view perceives moral responsibility to be attributable solely to the individuals in organisations.

The third view attributes secondary moral agency to organisations and holds both organisations and persons responsible for their decisions and actions.
The organisational moral personhood is an important question for this thesis because it enlightens and defines the moral autonomy issue addressed. If we accept the moral personhood of organisations, then we must hold organisations solely accountable and responsible for their actions. This will eliminate any responsibility for ethical misconduct from the individuals that act in and for the organisations. If, however, we accept organisations as structures only, then we do not address the issue of the organisation as a being, and see it only as a structure in which beings decide and act. In this case moral responsibility is attributed solely to the persons in the organisations.

Recent writing and theorising is more likely to attribute some moral responsibility to the organisation than was the case in the earlier periods of this debate. This may be related to the increased emphasis by the disciplines examined in Chapter 2, to the interplay of the individual and the context rather than the traditional emphasis on the individual or the context (Schneewind, 1991). Nord and Fox (1996) go as far as to claim that the individual has disappeared from organisational studies and identify the growth of emphasis on mutually determining processes. They suggest that the interactionist approaches increasingly adopted by organisation studies' writers and researchers, define behaviour in terms of person and situation characteristics. This, they claim, is a phenomenon visible in the social and biological sciences where the sightings of the individual as an individual are disappearing and where individuals are sighted, they appear in context only. If there is one area where the context is essential to perform such sightings, that area is ethics because ethics is about human relationships, not about the solitary individual.
The main reason for the denial of organisational moral agency is the fear of diluting personal moral responsibility (Metzgar & Dalton, 1996; Sharp-Paine, 1994; Werhane, 1989). Kerlin (1997, p. 1437) finds the treatment of the organisation as a moral agent in its own right a 'serious ethical mistake', because moral blame and punishment should be assigned to the people responsible for the deliberate creation, failure to control, or willingness to submit to unethical conduct. "Ethical decisions must, alas, remain within the purview of personal morality. While the corporation is one forum within which personal morality may be given expression, freedom from moral guilt must be sought beyond the corporate veil" (Dunn, 1991, p. 8). Dunn perceives as a gross error the presumption that organisations should not hold their managers-agents both legally and morally responsible for actions taken on their behalf. Clinard (1980, p.298) however, states that as long as the organisation's function, design and structure remain the same, illegal acts may continue because “after the 'responsible' individual is imprisoned another 'organization man' will replace him". In this light, organisations are social structures that preclude the people who inhabit them from understanding themselves as moral agents (MacIntyre, 1999) with consequences for both the agents and the structures.

Werhane (1989) argues that corporate moral responsibility does neither limit nor reassigns personal moral responsibility but extends it to the corporation, and its policies and practices. Similarly, Sharp-Paine (1994, p. 109) finds the dichotomy between individual accountability and 'system' accountability false, because understanding the importance of the context need not imply exculpating the individual who has behaved wrongly, “to understand all is not to forgive all".
Individuals in organisations do make individual decisions for the organisation but the organisation determines what and how, they decide. The organisation's decision-maker is thus likely to be morally heteronomised or anomised in accordance with the what and how prescribed by the organisation.

3.2.5 The Organisation as a Moral World

Organisations are described as neither persons nor machines, nor animals (DeGeorge, 1990; Metzger & Dalton, 1996). Even if we have not reached the state of attributing anthropomorphous characteristics to organisations, we can accept them as contexts that affect what and how we decide and act. Because of that influence, it is important that organisations are examined not only in relation to organisational moral agency but also in relation to their status as moral worlds, worlds in which individuals make moral choices (Nesteruk, 1991b). This need is also identified by Wildavsky (1989) who calls for the understanding of the institutional matrix in which moral standards are shaped, in order to be able to alter or maintain them. Further, Frederick (1992, cited in Cohen, 1998) maintains that in business life, a reliable picture of moral conduct can be ascertained "not so much in direct observation of the decision maker as in a firmer grasp of the decision maker's environment" (p. 1211).

Goodpaster (1989) treats organisations as moral worlds and as moral agents. He examines the organisation as a moral world, a world that he compares to Aristotle's city-state. Like Aristotle, who claimed that one couldn't discuss the nature of a morally good person without discussing the social conditions that
develop and sustain such persons, we cannot discuss good persons in organisations if we do not discuss organisations. Organisations should be providing the social conditions that develop and sustain morally good people, for the sake of themselves and their stakeholders, according to Goodpaster. To achieve this, Goodpaster prescribes that organisations must ensure that neither the formulation nor the implementation of policy should undermine the ethical beliefs of their employees, and they must also ensure the communication of their ethical standards. Both of these responsibilities require the organisation to respect the dignity and moral autonomy of each employee (Goodpaster, 1989).

Organisations as moral worlds, claims Nesteruk (1991b), structure the relationships and choices of individuals who work for them. He proposes a preliminary framework for decision making in the sphere of morality, identifying three basic models. An individual, according to Nesteruk (1991b) makes choices:

1. as a person or a moral agent,
2. as the occupant of a role, and
3. as the subject of rules.

In organisations, he suggests, decision makers make choices as occupants of roles and subjects of rules. The followers of the Structural Restraint View would argue however that decision makers in organisations make choices as persons or moral agents. Brief, Dukerich, Brown, and Brett (1996) argue that personal values do not provide predictions of behaviour in complex and elusive organisational practices thus supporting Nesteruk's view.
A social role is defined as "an identity whose characteristics individuals use to define themselves and what they should do in a particular setting" (Heiss, 1990, cited in Brewer, 1997). As occupants of roles, decision makers in organisations are different than as persons or moral agents, for the individual is obliged to foster the particular goals of the role, and the individual's duty is conceived in terms of fulfilling his/her role. Persons in organisations are socialised in their roles (Katz & Kahn, 1978). Through this process, people accept the organisational goal structure (Moier, 1975, cited in Clinard & Yeager, 1980, p. 63) and also the culture (Clinard & Yeager, 1980, p. 66).

Organisational roles contain mutual responsibilities and expectations, which affect the individual's values and the individual's attempts to distinguish between right and wrong courses of action (Derry, 1987). The expected role behaviour is learned from others' expectations and the rewards that they receive from their organisational membership. Supervisors, subordinates and peers form the internal role set, and customers, clients, suppliers and competitors form the external role set. All send messages to the individual about expected work behaviour (Adams, 1993).

"Corporate role morality takes as given precisely what classical moral theory wishes to evaluate, the worthiness of the duties assigned by one's role" (Nesteruk, 1991a, p. 724). The assumption of the given worthiness of organisational roles however, creates the danger of fulfilling roles that do not necessarily satisfy it. Further, the acceptance of the obligations of the roles, diminishes the right of the individual in the role to consider personal interests and general interests that are not related to the organisation or the specific role.
(Nagel, 1979). This was precisely the aim of bureaucracies, namely to make the individual dispensable thus constructing the organisation not of people but of roles and positions, which the organisation controls since it is able to create and define them (Clinard & Yeager, 1980, p. 64). People in organisations become functionaries “a new kind of man who in his role of serving the organization is morally unbounded. ...His ethic is the ethic of the good soldier: take the order, do the job” (Howton, 1969, cited in Clinard & Yeager, 1980, p. 64). In a milder form, Nagel (1978) comments that the acceptance of a role confers obligations. With any obligation, a risk is present that the person fulfilling the role will be required to act in ways that are incompatible with other obligations or principles that the person accepts. MacIntyre (1999) says that when persons are placed in such a situation, they need to think of their character independently of their roles. That will result in either finding choices that may be painful to varying degrees, or totally avoiding these choices.

Beach (1990) explains that the organisational influence is exercised by dividing tasks among its members, establishing standard practices, transmitting objectives, providing communication channels and training and indoctrinating its members with knowledge, skill and loyalties. These influences “allow them to make the decisions the organization wants made in the way the organization wants them made” (p 11). As such the organisation provides both the ends and the means, limiting the possibility of autonomy. The organisation also affects the locus of choice on decision-making (Vaughan, 1998). The organisation as a social context shapes what a person perceives as rational at any given moment. The specialisation and division of labour that occurs in organisations may make people in organisations unable to see the illegality and immorality of
certain actions. Each action is a part of a chain of actions, and even though each individual act may be legitimate and moral, all the actions linked together may constitute an illegal or immoral activity, of which each individual participant may be ignorant.

Roles effect the behaviour of individuals who fulfil them but they do not have only a restrictive outcome but also a liberating effect (Nagel, 1978). They provide a moral insulation, the abdication of moral responsibility because the person who fulfils his role, is doing his job. The erroneous reasons for the liberation of the person who fulfils the role, according to Nagel are:

- the depersonalisation of the role (the fact that it is shielded from personal interests) which leads to the depersonalisation of one's official capacity as well, thus reinforcing the separation between private and public morality;
- the additional power conferred on the individual which must be used for the benefit of the organisation;
- the division of labour both in execution and in decision which results in ethical division of labour, thus in ethical specialisation, leading to the establishment of many roles whose terms of reference are primarily consequentialist. (p. 76)

Actions in organisations remain the actions of the individual but the requirements are different. The requirements of the assumption of roles in organisations impose an obligation on the person fulfilling the role to serve a special function, to further specific interests of specific groups. “Public offices limit their occupants to certain considerations and free them from others, such as the good to humankind” (Nagel, 1976, p. 80). Nagel claims that morality is
complicated at every level. However, "its impersonal aspects are more prominent in the assessment of institutions than in the assessment of individual action, and that as a result, the design of institutions may include roles whose occupants must determine what to do by principles different from those that govern private individuals" (p. 82).

The Value Congruence Model developed by Liedtke (1989) provides a framework for distinguishing the nature of the value conflicts managers face in ethical decision dilemmas. Liedtke identified four types of conflict: internal conflict within the individual's value system (usually relating to role conflict), internal conflict within the organisation's value system, external conflict between the manager's and the organisation's value systems, and conflict at both levels, individual/organisational. Internal individual conflict was the conflict most frequently described. Ethical decision dilemmas can result from conflict within the individual, the individual's value hierarchy and importance of certain values, and conflict between individual and organisational values (Liedtke, 1989). It is possible however for congruence to exist between the values of the individual and the organisation. In those cases, Chatman (1969) comments that the value congruence may lead to extra role behaviours, which are "prosocial acts that are not directly specified by the individual's job description and that primarily benefit the organization as opposed to the individual" (p. 343).

As subjects of rules, decision-makers do not evaluate ends that may be competing or even foster particular ends, says Nesteruk (1991b). What prevails instead is the requirement of specific conduct informed by possible undisclosed ends. "Individuals who work for corporations are certainly persons,
but they are persons in roles subject to rules, and their decision making occurs along a continuum from full-blown moral agency to mechanical subservience to rules” (Nesteruk, 1991b, p. 88, emphasis in the original). As subject to rules people behave in what Werhane (1999) calls the ‘boss mentality’ model that is applied by employees. This model requires the individual to obey and to respond affirmatively to what is said and asked to do by the boss, the person in higher authority.

Nesteruk (1991b, p. 89), proposes that as an individual acts less as a person and more as an occupant of a role, or less as an occupant of a role and more as the subject of rules, “decisions become less an act of individual conscience and more a function of organization structure”. This, he opines, may result in the individuals distancing themselves from their organisational decisions and moral evaluation of decisions, or they may maintain a self-perception of moral agency, even when there is no genuine ethical choice. In both cases there is a loss of individual responsibility.

Organisations promote the loss of individual responsibility by treating and measuring employees in quantitative terms not in individualised terms (Werhane, 1999). Werhane argues that organisations do not hire, promote, transfer, layoff, and fire people but job skills, productivity, fit with the organisation, retrainability and performance. She does not suggest that these criteria be abandoned but for due process to be present as well. The quantitative focus of businesses perceives employees as economic phenomena, measured in monetary and statistical terms (Werhane, 1999). What is employed by the organisation according to Werhane is workers not
people. Werhane sees and hopes for a transition to employment as a profession, to enable individuals to become "fully aware and richly responsible" (James, 1934, cited in Werhane, 1999, p. 247) for oneself, work, employment and career.

For any social system to survive, individual variability must be modified to a manageable degree (Cohen, 1997; Katz & Kahn, 1978). Organisations as social systems also need to modify individual variability for their survival and growth. However, as it has been indicated above, they must address the effect they have on the autonomy of their members, because as it has been argued, the exclusion of autonomy is harmful for both the organisation and the members. The organisation suffers because people do not assume responsibility for their decisions and behaviour and the people endure dehumanisation and as a result amoralisation, thus becoming less than persons.

3.3 ETHICAL DECISION MAKING

There is no consensus as to the factors that guarantee ethical organisational decisions. This is not surprising if we take into account the multitude of views about ethics in general and organisational ethics in particular. Generally, some argue that ethical decisions are the result of virtuous individuals (MacIntyre, 1992; Solomon, 1992a) and the personal values (Nash, 1993) and ethical frameworks (Schminke, Ambrose, & Noel, 1997) of decision-makers. Relativists (Haan, 1985) emphasise that ethical judgements are situation specific. Haan sees moral action being "informed and influenced by variations
in contexts", as well as, the decision-makers’ “strategies of problem solving which interacted with these contexts" (p.1282). The developing consensus in business ethics however (Jones, 1991; Trevino, 1986), is that ethical decision making is affected by the person and personal variables (values, character, personality, identity etc), the situation and situational variables (organisational culture, climate, industry etc.) and the issue (moral intensity). The question remains whether organisational decisions adhere to the decision-makers' inner conscience and conviction about the ‘right’ actions to take (Gioia, 1992).

Some of the personal and organisational factors identified that affect ethical decision making in organisations, are shown in Table 4.1 (for reviews of ethics research see Ford & Richardson, 1994 and Loe, Ferrell, & Mansfield, 2000). Generally, business decisions with ethical implications have been found to be affected by the individual(s) making the decision, the organisational and societal factors shaping the decision and issue factors.

Jones’ (1991) issue contingent model of ethical decision making, views ethical decision making in organisations as a function of the moral intensity of the encountered dilemma, as well as, personal and organisational factors. This model claims that organisational factors affect moral decision making and behaviour at two points (Jones, 1991):

- The establishment of moral intent, affected by implicit organisational pressures, and
- Moral behaviour, which is affected by explicit organisational pressures, despite intent.
### Table 4.1
Identified Factors Affecting Ethical Decision Making

<table>
<thead>
<tr>
<th>INDIVIDUAL FACTORS</th>
<th>SITUATIONAL FACTORS</th>
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<tbody>
<tr>
<td>• Machiavellianism (Giacalone, &amp; Knouse, 1990; Hegarty &amp; Sims, 1979; Singhapakdi &amp; Vitell, 1990b)</td>
<td>• Organisation's reward system (Jansen &amp; Von Glinow, 1985; Trevino &amp; Youngblood 1990)</td>
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<tr>
<td>• Economic value orientation (Hegarty &amp; Sims, 1979)</td>
<td>• Peer influence (Fraedrich, Thorne, &amp; Ferrell, 1994; Singer 1996)</td>
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<tr>
<td>• Ethical ideology (Bamott, et al., 1994; Forsyth, 1992a)</td>
<td>• Groupthink (Sims, 1992; Smith &amp; Carol, 1984)</td>
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<tr>
<td>• Stage of moral development (Colby &amp; Kohlberg, 1987; Strong &amp; Meyer, 1992; Trevino, 1986)</td>
<td>• Superiors' influence (Posner &amp; Schmidt, 1992; Hegarty &amp; Sims, 1979)</td>
</tr>
<tr>
<td>• Age (Arlow, 1991)</td>
<td>• Informal systems (Falkenberg &amp; Herremans, 1995; Hegarty &amp; Sims, 1979), organisational culture, (Trevino, 1986) and environment (Fritzsche &amp; Becker, 1984)</td>
</tr>
<tr>
<td>• Nationality (Small, 1992)</td>
<td>• Formal systems and ethics policy (Murphy, 1988; Singhapakdi &amp; Vitell, 1990a)</td>
</tr>
<tr>
<td>• Years of education (Jones and Gautschi, 1988)</td>
<td>• Immediate job context and characteristics of work (Trevino, 1986)</td>
</tr>
<tr>
<td>• Education in ethics (Kavathatzopoulos, 1993)</td>
<td>• Kind of harm and the magnitude of the consequences (Fritzsche &amp; Becker, 1983; Weber, 1996)</td>
</tr>
<tr>
<td>• Gender (Arlow, 1991; Glover et al., 1997; Shelton &amp; McAdams, 1990; Tsahuridu &amp; Walker, 2001)</td>
<td>• Risk of detection (Jensen &amp; Wygant, 1991)</td>
</tr>
<tr>
<td>• Ego strength, field dependence, locus of control (Trevino, 1986)</td>
<td>• Age of team (Hunt &amp; Jennings, 1997)</td>
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<tr>
<td>• NAch (Glover et al., 1997)</td>
<td>• Organisational value system (Liedtka, 1969)</td>
</tr>
<tr>
<td>• Cognitive dissonance &amp; Eichmann effect (Curtin, 1986)</td>
<td>• Size of organisation (Schminke, 2001; Weber, 1990)</td>
</tr>
<tr>
<td>• Self efficacy (Jensen &amp; Wygant, 1991; Wood &amp; Bandura, 1993)</td>
<td>• Social networks and relationships among actors (Brass, Butterfield, &amp; Skaggs, 1993)</td>
</tr>
<tr>
<td>• Moral approbation (Jonas &amp; Varsteogen-Ryan, 1997)</td>
<td>• Structure of organisation (Schminke, 2001)</td>
</tr>
<tr>
<td>• Personal values (Fritzsche, 1995)</td>
<td></td>
</tr>
<tr>
<td>• Escalation of commitment (Street, Robertson, &amp; Gelger, 1997)</td>
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</table>

Research (Harrington, 1997; Morris & McDonald, 1995; Weber, 1996) supports Jones' (1991) claim that moral intensity affects ethical judgements. Jones' (1991) model of ethical decision making is considered the most comprehensive because it includes environmental, personal and organisational forces, as well
as, the moral intensity variable (Loe et al., 2000; Street, et al., 1997; Weber, 1996).

The biggest cause for the absence of ethics in ethical decision making in most organisations is not considered the unethicallity of the decision-makers but their inability to consider the ethical issues in the organisational context. In this sense, it is the organisational forces and the issues that are considered more likely to affect ethical decisions in organisations. Williams (1997) argues that business organisations shape the individual in them so much that they do not see the ethical dimension of business life. “When efficiency and productivity are the only values reinforced in the organisation, people are moulded slowly to do whatever will ‘get the job done’. Treating people functionally dulls their sensitivity and constriction their perspective so that their ‘world’ is basically functional” (p. 5). Similarly, Jackall (1988) blames the reality of organisational life, which makes managers unable to see most issues that confront them as moral even when others present problems in moral terms, as the reason for this phenomenon. The zone of indifference identified by Barnard (1938) explains why this phenomenon exists. Barnard, however, characterises it as irresponsible, because people in organisations do not effect their morality in their conduct. They are thus not morally autonomous persons and do not behave as moral agents.

The irresponsibility Barnard (1938) mentions must be attributed to the organisations as well as persons. The nature of the employment relationship is such that it grants a certain degree of control to employers over the behaviour of their employees, resulting in the relinquishment of some of the employees...
autonomy (Radin & Werhane, 1996). Jackall (1988) attributes the abdication of personal responsibility and autonomy to the imperatives of the workplace. The paradox in organisations is that individuals in them relinquish varying degrees of their autonomy but they remain responsible for their morality, despite the absence of autonomy to affect their morality.
CHAPTER FOUR
A REVIEW OF AUTONOMY IN BUSINESS RELATED LITERATURE: INDIVIDUAL EMPHASIS

4.1 THE INDIVIDUAL AND INDIVIDUAL VALUES

Personal values provide the predisposition to behaviour and action. They provide normative standards that individuals have internalised, accepted and use when making decisions that involve considerations of good and bad. Katz and Kahn (1978) view organisational and personal values as fundamental and enduring qualities, and significant determinants of behaviour.

Personal values are based on the fundamental truths, the principles an individual holds. Principles are the source of inspiration or direction for moral action, and provide the starting point for moral reasoning (Thompson, Melia, & Boyd, 1994). Values provide beliefs about how an individual ought to behave and assign a sense of good and bad, right and wrong (Parrott, 1999) to behaviour. The normative or 'ought' characteristic of values according to Ravlin and Meglino (1987, p. 155), distinguishes values from other constructs such as attitudes, opinions and preferences, because values specify socially desirable forms of behaviour. Values are concerned with the types of behaviour a person feels ought or is proper to exhibit (Ravlin & Meglino, 1987).

A synthesised definition of values describes them as “standards or criteria for choosing goals or guiding action and are relatively enduring and stable over time” (Dose, 1997, p. 220). Rokeach (1968) considers values to be types of beliefs, centrally located within one’s total belief system, about how one ought
or ought not to behave, or about an end state of existence or an existence not worth attaining.

Values are examined in this research because they provide a relatively permanent perceptual framework, which every individual has, and which shapes and influences an individual's behaviour by influencing intentions (Bersoff, 1999; England, Dholna, & Agarwal, 1974; England, 1975). It needs to be noted that values do not take over individual behaviour but they tend to affect it in situations that allow their activation.

Moral values are activated if the decision an individual is called to make is perceived as a moral decision. Schwartz (1968) clarifies that:

- If a person construes a decision he faces to be a moral choice, relevant moral norms he holds are likely to be activated and to affect behavior. When he fails to perceive that a moral decision is at stake, however, particular moral norms are unlikely to be activated. A norm which is not activated is unlikely to have any significant impact on behavior regardless of its content or of how strongly the person holds it. (p. 355)

The existence of values therefore does not guarantee their use. Schwartz outlines two conditions, which must be satisfied for the activation of a person's moral values (p. 356):

- "The person must have some awareness that his potential acts may have some consequences on the welfare of others"; and
- "The person must ascribe some responsibility for those acts and their consequences to himself".
These two conditions express the social nature of morality, as well as the individual's responsibility for moral acts, the necessity for moral agency to exist. Any moral choice situation, explains Schwartz, entails actual; or potential interpersonal actions, which have consequences for the welfare (material or psychological) of others. These actions are performed by an agent who is perceived to be responsible, to have acted knowingly as a result of a decision. Finally he argues, the act and the agent are evaluated based on the consequences the actions have on the welfare of others. This utilitarian calculation may however not be undertaken and the act and the agent may be evaluated on the rightness of decision or action, regardless of consequences. The means of achieving desirable ends may have contravened values the decision-maker holds. In organisations, the attempt to achieve desirable consequences and the desire to improve the welfare of others may actually limit the assessment of decisions in moral terms. Particularly when the 'others' are the shareholders and the decision-makers' short term performance is assessed by them, and the decision-makers' welfare depends on that assessment. Moral norms as used by Schwartz are cultural specifications of what constitutes good and bad interpersonal actions. The possibility also exists that a person making a decision may falsely perceive that a moral value is not applicable to a given situation (Bersoff, 1999). For example, stealing is wrong, may be the moral value but taking something that is not mine when no one is harmed is acceptable. In such a case, Bersoff explains, the latter is likely to be activated and influence behaviour.
Individual differences in moral values are expected to affect moral judgements and behaviour, when individuals consider the situation in ethical terms and feel they are making a decision in their capacity as moral agents. They thus need to perceive themselves personally responsible and accountable for the decision.

Moral autonomy in amoral organisations requires herculean strength or sociopathic behaviour because such organisations do not contain moral values that are subject to societal values, but only economic values. This also limits the possibility for moral heteronomy and makes moral anomy a likely stance in organisational life. Economic moral theory values the behaviour of people only to the extent that it contributes to the firm's self interest (Reilly & Myroslaw, 1990), making people amoral, and morally anomalous in organisations. These amoral organisational players share their bodies with the moral good citizens, and they are substantially at peace because when they play for the organisation there is no moral content in their behaviour, whilst when they are good citizens there is (Reilly & Myroslaw, 1990).

Managers are not mere functionaries and they cannot be adequately seen as ciphers who either serve the predetermined needs of the owners or who act selfishly (Alvesson & Willmott, 1992). "Caught between contradictory demands and pressures, they experience ethical problems, they run the risk of dismissal, they are 'victims' as well as perpetrators of discourses and practices that unnecessarily constrain their ways of thinking and acting" (Alvesson & Willmott, 1992, p. 7).
David Ewing (1978, p.168) uses more potent language in describing the organisation’s effect on the individual, and states: “Only in America do we make a big production of guaranteeing such civil liberties as free speech, privacy, conscience and due process to all people except from the hours of 9 to 5, Monday through Friday.” The same sentiments are expressed by Werhane (1999) two decades later in discussing the individual in the U.S. institution. She explains that not all employees in the private sector enjoy rights to due process, freedom of speech – including protection for legitimate whistle blowers, privacy, rights to employment information and job security, whilst the public sector does not guarantee the right to form unions. Werhane goes further and discusses the antithesis of voting rights and participation between political decisions and management decisions in the political economy. The former guaranteed constitutionally the latter ignored or even decried.

Ewing (1978) and Werhane (1999) discuss the outcomes of the separation of personal and business life. This separation is evident in the language used by practitioners such as Dan Drew (cited in Steiner & Steiner, 1991) described earlier, and academics such as Woodcock and Francis (1939, p. 117), who state:

For many organizations it is a dog-eat-dog world. In every commercial organization talented people are planning how to increase their business at the expense of the competition. Non-commercial organizations are often under threat from those who provide the funds. Successful managers study external threats and formulate a strong defence. They adopt the value: Know thine enemy.
People have identity that defines them as persons, "provides the core to a person's being, comprises the consistency of the person over time, and distinguishes a person idiosyncratically from other people" (Gioia, 1998, p. 19).

The identity people have develops continuously (Seabright & Kurke, 1997; Watson, 1994) but is also enduring. Rokeach (cited in Van Wart, 1996, p. 526) prescribes that "any conception of human values, if it is to be fruitful, must be able to account for the enduring character of values as well as for their changing character", thus accepting their changing nature as well as constancy. The possibility for change in values enables growth and more importantly moral growth. These elements will be further developed in Chapter 5.

The individual in the organisation has identity including values. Values are attitudes or passions or principles that have a personal or societal history (Rohr, 1989). Rohr explains that values suggest 'a pattern of attitudes or behaviour that recurs with some frequency' (p. 77). What is not clear is the degree to which individuals in organisations exercise their personal values when they make organisational decisions that have ethical implications. Hampshire (1978) does not perceive values as an orderly system of decision aids. Instead he sees individuals in possession of a vast storage of knowledge and belief which provide specific beliefs for a specific situations.

The Theory of Planned Behaviour (Fishbein & Ajzen, 1975) describes beliefs, intentions and behaviour. Weber and Gillespie (1998, p. 449) comment that beliefs link "an object (person, group, institution, behavior, policy, event, etc) to its perceived attributes, which can be influenced by the participant's attitudes (feelings about the object)". Beliefs, according to Weber and Gillespie, include
both personal and social aspects. Intention is the immediate determinant of behaviour, its formation influenced by beliefs regarding positive outcomes and social approbation. The stronger the intention the stronger the likelihood that the behaviour will eventuate. Behaviour according to this theory is the action that is ultimately taken. They describe these as what should I do? (individual beliefs), what would I do? (intention) and what did I do? (behaviour).

Principles are criteria for adopting or rejecting potential goals and plans. "They are not the goals themselves, but they define what is and what is not desirable about goals; they are not plans themselves, but they define what are and what are not acceptable means for achieving plans" (Beach, 1990, p. 25).

Another possibility is that individuals possess multiple identities with different values. "Personal identities are shifting and multiple" claims Weick (1995, p. 59) or as Dennett (cited in Metzger & Dalton, 1996) calls it, multiple selves. Beach (1990) also subscribes to the view that people have several selves and the actual self, displayed at any time, depends on the actual situation. Beach calls the several selves subselves. He claims that only one subselves is operational at any given time, and that is determined by the context. According to this view then it is possible that in organisations people may operate their organisation self, which may differ from the family self or the church self.

Ashforth and Mael (1989) suggest the same but use the term multiple identities instead of multiple selves. Individuals, they claim, belong to a number of groups, and their identities are likely to consist of an amalgam of identities. These identities are likely to possess inherent values, beliefs, norms and
demands that may conflict with each other and with the individual's personal identity. Ashforth and Mael (1989) conclude that the existence of the identities does not conflict, but their values, norms and demands conflict. What is described is the identities we develop in the different roles we are called to fulfil.

Role strain is the term used by sociologists to refer to the conflict between different roles (Brewer, 1997). McKenna (1999) comments that in the organisational sphere, managers do not only possess multiple perceived identities, but they also shape the perceived identities of others. Weick (1995) uses Wiley's understanding of sensemaking, categorised in three levels: the intersubjective, generic subjective and extrasubjective. The intersubjective occurs "when individual thoughts, feelings, and intentions are merged or synthesised into conversations during which the self gets transformed from 'I' into 'we'" (p. 71), generic subjective is where "concrete human beings, subjects, are no longer present and selves are left behind. Social structure implies a generic self, an interchangeable part — as filler of roles and follower of rules — but not concrete, individualised selves. The 'relation to subject', then, at this level is categorical and abstract!" (Wiley, cited in Weick, 1995, p. 71). The extrasubjective is a level of symbolic reality, each viewed as a subjectless batch of culture, like capitalism and mathematics.

Character is a person's normal pattern of thought and action, especially about concerns and commitments in issues that affect the happiness of others, and most especially in relation to moral choices (Kupperman, 1991). Character is perceived as the most important characteristic of a person especially in business, because strong character enables people to act in accordance with their values and commitments, despite short term pressures and temptations to
do the contrary (Hartman, 1998b). If a good life is an autonomous life, then Hartman prescribes strong character as a necessary condition for the good life. Strong character enables people to act on their values and "to be unable to act on one's values is the antithesis of autonomy" (p. 551).

In summary, people's behaviour is affected by their beliefs, principles and values. People also develop different selves or identities in order to fulfil the different roles they are called to fulfil. There is however something called a self, and that self can have a strong or weak character. The values, identity and character of persons affect their decisions. The moral values, however, are normally activated if the conditions described above are fulfilled. This phenomenon provides support for the effect of organisations on their people. The selves or identities people develop, also support it. The role specific identities and subselves contain the specific role ends and means. In a role fulfilling catastrophe, individuals are unlikely to use the values they hold as parents, friends, or neighbours.

4.2 ORGANISATIONAL CULTURE AND CLIMATE

Organisations are assumed to affect their members because organisations have values (Hunt, Wood, & Chonko, 1989; Kabanoff, Waldarsee, & Cohen, 1995; Liedtka, 1989), culture (Dahler-Larsen, 1994; De George, 1990; Deal & Kennedy, 1982; Murphy, 1988; O'Reilly, 1989; Schein, 1997) and identity (Gioia, 1995, 1998). The organisational culture includes the basic assumptions concerning what is right, proper and fair (Gottlieb & Sanzgin, 1996). Culture according to Watson (1994) is in part a moral system because not only it
defines the values of those who accept it, it also contains assumptions about
the nature of the world, and it assists individuals in the construction of their
identities. Falkenberg and Herremans' (1995) exploratory research found that
pressures within the informal systems are the dominant influence on
employees' behaviours and decisions in the resolution of ethical issues. These
pressures within the informal system, they found, will vary according to the type
of unethical activity, as well as, the economic status of the organisation.

Culture, according to Berger (1973, cited in Watson, 1994, p. 22), is a human
and social construction which creates nomos, and order out of chaos. The
organisational culture can supply the ethical nomos for the organisation, among
the other nomoi. The organisational ethical values are contained in culture and
they help to establish and maintain standards that clarify the right things to do
and the things worth doing (Jansen & Von Glinow, 1985). The organisational
culture through its content and influence, may limit the moral autonomy of
individuals within the organisation, thus increasing the possibility of the other
two positions, moral heteronomy and moral anomy.

Summarising the above, it can be seen that the organisational culture and
climate provide the terms that prescribe moral intent in organisational decision
making, and organisational goals and objectives provide the framework for
behaviour. Both culture and goals or objectives are interconnected and may or
may not contain ethical values. The absence of ethics from the terms provided
by the organisation, affect the identification of dilemmas encountered in
organisations and impact on the individual making organisational decisions.
Individuals may not be aware that they are making ethical decisions and that
the organisational decisions they make have ethical implications.

Organisational decisions may be based on the terms provided by the organisation and some organisations have terms of short-term organisational goal attainment, or compliance with regulations, and exclude ethics. The terms organisations provide are contained in the formal and informal control systems. The informal aspects that are contained in the organisational culture are however more potent. The organisational culture is a social control system, and it gives the impression of great autonomy to individuals acting in organisations, when paradoxically they conform with unwritten ‘codes of behaviour’ much more than with formal control systems (O’Reilly, 1989).

The organisation’s culture provides an explanation for the claim made by many theorists (Metzger, 1987; Reilly & Myrosin, 1990; Wong & Beckman, 1992) that people often act differently in the organisational context than in their purely individual context and do not apply their personal values in the former. Vaughan (1998) uses Arendt’s (1977) work to demonstrate how it is possible for individuals to define their actions by the cultural values and standards of organisations, even in organisational cultures that normalised deviant actions. Such deviance in the case of Arendt’s account of Eichmann resulted in his heinous crimes against individuals and humanity.

This research examines the effect organisations have on the individuals’ ethical decision making. It asserts that not all organisations have ethical values in their culture. Those that do not are amoral and behave in a manner that only satisfies their egoistic needs. Reidenbach and Robin (1991) assign to organisational culture the organisation’s moral development which in turn helps
defines that culture. The authors present an organisational model of moral
development that is inspired by Kohlberg's work of individual moral
development. Stage 1 in this model contains the amoral organisation, an
organisation that is pre-moral or proto-moral (see Chapter 3). Reidenbach and
Robin describe such an organisational culture as one that values ‘winning at all
costs’, and is unmanaged in respect to ethics. What is important in such
organisations is productivity and efficiency, and their philosophy is that
business is not governed by the same rules that govern individuals. Getting
captured in such organisations, for ethical misbehaviour is part of the cost of
running a business. Organisations with a moral culture on the other hand will
provide ethical aims and targets for actions that are ethical. Ethical aims targets
that “their pursuit is justifiable on grounds other than economic or self-interested
ones” (Margolis, 1998, p. 416). Margolis further explains that ethical aims may
be valued on economic ground as well, however they are valued even when
they do not lead to economic objectives, and economic objectives are valued
on ethical grounds. This is similar to personal ethics, which was described in
Chapter 1.

Amoral organisations behave as amoral calculators and they are motivated
entirely by profit seeking (Kagan & Scholz, 1984). Such organisations assess
opportunities and risks carefully. When organisations undertake such
economic calculations, they will disobey the law when the expected profits of
the disobedience are larger than the anticipated fines and probability of being
captured. This model of corporate criminality is the most widely accepted,
comment Kagan and Scholz, and views people in organisations as law
breakers, driven by the norms and pressures of the market place, if the profit is
greater than the costs of non-compliance or law evasion. The motivation of business is profit (Duska, 1997) and increasing profit is what businesses are motivated to do, but this motivation does not explain organisational behaviour according to Kagan and Scholz, because some organisations may choose to comply with certain legislation and not other. This phenomenon, they claim, can be explained by managerial attitudes towards the regulation or agency, in addition to or instead of the amoral calculation. Organisational criminality is usually an instrumental act that also “exhibits routinisation and patterning” (Vaughan, 1998, p. 28). Amoral calculations and instrumental actions, however, do not explain all organisational criminal activities. Some, argue Kagan and Scholz, occur because of the incompetence, misunderstanding of legislation, or due to improper attention to the regulatory requirements. Vaughan (1998) adds the normalisation of deviance, as an additional reason that explains why organisations that are not amoral, misbehave. She claims that normalisation of deviance explains the Challenger accident, and not misconduct because employees did not violate any laws or rules in their pursuit of organisational goals, and there is no evidence of intentional wrongdoing implied in the amoral calculator model of decision making. The normalisation of deviance was instead a result of the production of a cultural belief system in the work group, the culture of production, and structural secrecy.

It is also asserted that organisations with strong cultures will have a greater impact on the decisions and behaviour of individuals in them. Hartman (1998a, p. 365) claims that some organisations “have strong cultures that homogenise people’s values, some are morally anarchic.” Strong cultures will result in greater agreement between members about the values about the means and
ends of the organisation. The type of culture an organisation has will also affect the persons' ability to use their moral values. A democratic organisational culture may encourage members to take responsibility for their actions, whilst an authoritarian culture with its numerous rules that prescribe some behaviours and proscribe others, may replace individual discretion (Trevino, 1986).

Fraedrich et al. (1994) call for the discovery of how personal moral values enter an individual's organisational ethical decision making, because in the organisational context peer relationships and organisational culture have been shown to be stronger influences. Nash (cited in Curtin, 1996, p. 63) explains the business environment and its effects as:

The business environment seems to cultivate a condition of moral schizophrenia... too many factors in the culture of the market place, financial pressures and one's own role playing conspire to turn what would seem to be ordinary, clear cut offences into problematic grey area difficulties or excusable departures from normal moral standards.

Denhardt (1981) expresses his concern about the effect of the organisation on the individual as:

[W]e originally sought to construct social institutions that would reflect our beliefs and values; now there is a danger that our values would reflect our institutions. Here we encounter a most serious problem: as we continue to permit organizations to structure our lives, rather than vice versa, we may become locked in their grasp. We may begin innocently enough, engaging in organizational activities which
we hope will promote useful social goals, yet wind up doing certain things 
not because we choose to do them, but because 'that's how things are done' in the world of organization. (p. 32)

4.2.1 Organisation's Impact on the Individual

The potency of the organisational culture is described by many. Schein (1997) characteristically states:

But when we see the essence of a [organizational] culture, the paradigm by which people operate, we are struck by how powerful our insight into the organization now is, and we can see instantly why certain things work the way they do, why certain proposals are never bought, why change is so difficult, why certain people leave, and so on. (p. 207)

Research conducted by Schminke and Ambrose (1997) suggest that individuals' ethical make up does not appear to operate under a single, stable ethical framework, but the context appears to influence the ethical model used. Fraedrich et al., (1994) suggest that employees in organisations do not function as highly individualistic ethical decision-makers. Similarly, Sharp-Paine (1994) claims that "rarely do the character flaws of a lone actor fully explain corporate misconduct. More typically, unethical business practice involves the tacit, if not explicit, cooperation of others, and reflects the values, attitudes, beliefs, language, and behavioural patterns that define an organisation's operating culture" (p. 106). Individuals acting together "can produce morally objectionable events and states of affairs that no individual acting alone could
produce" (McMahon, 1995, p. 550). The division of responsibility and the anonymity that togetherness provides, enables regression of the standards individuals may hold individually. However, the value systems of managers that would undertake an ethical act were found to be significantly different from the value systems of managers that would take the unethical act in the study of Fritzsche (1995). Finegan (1994) found that people perceive ethical dilemmas in the organisations differently and their perception is affected by their personal value systems.

The organisation as the context of decision-making may impact decision making by shaping what is perceived as rational by the decision maker (Vaughan, 1998). Vaughan attributes this impact to specialisation and division of labour which may render the sum of legitimate acts illegitimate, and also promote the ignorance of the individual decision maker of the total act performed piecemeal by invisible others (Vaughan, 1998). Secrecy is also built into the very structure of organisations, continuous Vaughan, because as organisations grow, actions in one part of the organisation are not visible in others, leading to the segregation of knowledge, tasks, and goals. Knowledge becomes specialised which further inhibits knowing and promotes secrecy and the development of language associated with different tasks can conceal rather than reveal even between sections of the same organisation.

Public economic crimes according to Nagel (1979) do not seem to be fully attributable to the offender. The morality of public roles, according to Nagel, restrictively affects the individuals in the roles but also significantly liberates
them. This is the result of the diffusion of action between many actors and the division of labour in decision and in execution (Nagel, 1979).

In her research, Derry (1987) discovered that at least one third of the participants in her study (40 men and women managers and professionals) said they never faced a moral conflict at work. This proportion is likely to be higher according to Derry, because many people declined to participate in her study because they had nothing to talk about on the subject of work related moral conflicts. Derry did not find any distinguishing demographic characteristics for the group that did not face any moral conflict at work.

There appears to be a lack of consensus on the factors that promote, encourage or guarantee moral behaviour in organisations. The communitarian view (Etzioni, 1995; Macintyre, 1993; May, 1996) emphasises the impact of society, culture and tradition as the main forces that shape and guide morality and moral behaviour, whilst the libertarian view (Nozick, 1974) perceives morality as an individualistic phenomenon. The contemporary plethora of codes of ethics suggests that organisations adopt the communitarian view or possibly a libertarian view including an assumption that workers are immoral. Libertarians, according to Hartman (1998a), argue that the acceptance of a contract, such as the employment contract, in the absence of force or fraud obliges the parties to the contract to morally comply or quit. Employee autonomy is thus not limited, if management complies with the contract that the employee has accepted. In this view, it is not the social organisation that affects the individual, but the individual chooses to be affected by the organisation. This view does not however take into account the effect of the
organisation on the individual and the individual's capacity to choose and
decide based on his consciousness and upon reflection on his personal values.

This effect organisations have on the individuals' moral autonomy has been
alluded to, and explained by a number of business ethicists (Badaracco, 1995;
Jos, 1986; Lozano, 1996; Werhane, 1989).

Empirical investigations also suggest that generally, people in organisations
regress morally. These investigations provide evidence of variations in moral
reasoning and moral decision making in different contexts, indicating that most
of us most of the time are indeed affected by the organisation and the
community of work. French and Allbright, (1998, p. 191), testing the discourse
ethics procedure suggested by Habermas (1973), concluded that there are
times when individuals revert to lower stages of moral reasoning, even though
they employ on average, higher levels of moral reasoning in their moral
deliberations. Schminke and Ambrose's (1997) findings suggest that both male
and female managers tend to morally regress when they enter a business
setting. These findings support Snell's (1996) conclusion that ethical theory in
use is volatile, involving a number of different stages and the reasoning enacted
is not necessarily that of the highest stage, among managers. Managers were
not found to reason at the highest possible level, but instead engaged a number
of stages (typically three or more) in real-life ethical dilemmas. Managers'
moral reasoning has actually been found to be different between business and
non business dilemmas by Weber (1990) where managers reasoned at a lower
lever on Kohlberg's CMD scale for business dilemmas than for a non business
dilemma. The regression in SMD found by people in business dilemmas
questions Kohlberg’s claim that the proposed stages are invariant and according to Fraedrich et al. (1994) makes the CMD theory untenable, or CMD may be less appropriate for business ethics than private ethics. This latter conclusion reinforces the separation thesis and as such remains worrisome. It also highlights the reality of organisational morality, and it raises questions that people in business and people about business must address. Managers’ use of lower level of moral reasoning to solve business ethical dilemmas can be explained by the application of context specific cognition that allows them to fulfill highly differentiated roles whilst limiting their cognitive dissonance (Trevino, 1992).

Differences in the business context have been found not only in moral reasoning and cognition but also in ethical ideology used by individuals in that context. Brady and Wheeler (1996) found managers more likely to think in teleological terms than non-managers who were more likely to use deontological terms with increased age. Schminke and Ambrose (1997) also found a shift towards teleology in business dilemmas, while that shift existed towards deontology in non-business encountered ethical dilemmas. Fritzshe and Becker (1984) discovered an almost total reliance on teleology by marketing practitioners. Fritzshe and Becker also found that responses that justified dilemma resolutions by justice and rights theories, appear to place greater emphasis on ethical values relative to economic values. These authors question whether the almost total reliance on utilitarian philosophy is best for society. Glover et al. (1997) however refer to the study conducted by Forrest et al. (1990) which identified that managers show a slight preference for deontological values and Murphy and Daley (1990) which found that executive
in the transportation industry do not rely on any principle (utilitarian, rights or justice) for justification of their actions.

These empirical findings contradict the two points generally made in business ethics, identified by Lewis (1985, p. 377) that:

- a person's ethics in business cannot be separated from his personal or all other ethics, and
- business will never be more ethical than the people who are in business.

The above findings of empirical research in business ethics indicate that ethics in business is not identical to a person's ethics, and general ethics. They also indicate that business is not more ethical than the people in it are, and in most cases, business is not as ethical as the people in it are. These findings also appear to disprove the assertion (Denhardt, 1981; Himmelfarb, 1995) that business values have taken over all human activity and the values of business have spilled into society and become its values, thus making it amoral or less moral.

Research also provides explanations of possible reasons for the replacement or loss of personal morality in organisations and the ethical regression in business. Possible explanations for this phenomenon may exist in obedience to authority (Milgram, 1974, 1995), dehumanisation (Bandura, 1986), deindividuation and groupthink (Sims, 1992). Jones and Verstegen-Ryan (1997) offer a possible explanation for the lower ethical standards in organisational decisions by the concept of moral approbation. They claim that moral approbation, the desire individuals have to be seen as moral by others or
themselves, is affected in organisations because of the organisational influences. Moral approbation influences the probability a moral agent will act on a moral judgement. The organisational influences, identified by Jones and Verstegen-Ryan, are the severity of consequences, moral certainty, degree of complicity and the extent of implicit and explicit pressure to comply.

The influence the organisation exerts on individuals affects not only their reasoning, cognition and ideology but also the scripts and schemata individuals use to resolve organisational issues. The concept of schema was initially developed by Piaget (1929, cited in Beach, 1990, p. 18). Haan (1986) attributes to the problem solving strategies, what others call scripts or schemata, the more potent source of variation in ethical behaviour. Vaughan (1996) describes culture as “a set of solutions produced by a group of people as they interact about situations they face in common” (p. 37). In that sense, culture develops and promotes acceptable schemes and scripts people use to resolve the situations they face. A schema, Beach explains, “consists of elements, concepts, and the relationships among them, that are pertinent in some sphere of interest to the actor. The schema defines the legitimacy of the elements that it encompasses” (p. 18). These characteristics enable schemata, which are developed in organisations and are contained in organisational culture, to shape and bias thought (DiMaggio, 1997). DiMaggio outlines the mechanisms in schematic automatic cognition that affects decisions and behaviour (pp. 269-270):

- people are more likely to perceive information that is germane to existing schemata
• people recall schematically embedded information more quickly and more accurately
• people may falsely recall schematically embedded events that did not occur

In contrast, in deliberate cognition, explains DiMaggio, people are sufficiently motivated to override automatic cognition, the programmed modes of thought, and think critically and reflectively. Deliberate cognition is facilitated by attention, motivation and schema failure. Liedtka (1989) agrees:

Clearly the organisational value system plays a critical role in setting the stage upon which the ethical dilemmas that their managers face are played out. The degree to which they are able to write the script, as well, undoubtedly varies with the players involved and the specific act in progress. (p. 812)

The effect of organisations on the organisational individual or "the individual within the corporation" (Solomon, 1992a, p. 319) in regards to moral decision behaviour is of significance. It affects the approach organisations should take (an 'ought') in the promotion and implementation of organisational ethics by providing an understanding of the factors that impede or promote (an 'is') organisational ethical decisions. Organisations have the option of allowing their members to bring their consciousness to work, provide a consciousness that people are required to use during work hours in the form of an ethical climate and culture, or exclude moral values from the person and the organisation. Analogous are the possible positions the individual within the organisation may then conceivably exhibit in the sphere of morality: autonomy, heteronomy and anomy.
4.2.2 Individual Responsibility in Organisations

In the previous section we looked at normative and empirical investigations of the possible effect some organisations have on the actions and decisions of persons. The general consensus appears to be that people are affected by the organisation. This conclusion strikes at the epicentre of moral responsibility. All disciplines and all sub disciplines and extremes among them, hold individuals who are rational, responsible for their actions. In 'reality' however, we are seeing that people are not behaving as moral agents in organisations and the reasons that happens have been outlined.

Smith and Carroll (1984, p. 98) call the 'they made me do it' situation, when individuals in organisations assign their moral responsibilities to the organisation, moral cowardice. The assignment of personal morality to the organisation is something the organisational hierarchy demands and replaces with loyalty to the organisation and commitment to the organisational goals. Dugger (1988, cited in Miceli, 1996) attributes the replacement of personal ethics with the organisational requirements to a strong identification with the organisation.

Bell (1998) prescribes that:

[A]ll of us ought to be held personally accountable for our acts even if we are conforming to organizational rules and common belief systems. It is our moral duty to question such rules and belief
systems and to disobey them if obeying would lead to seriously
wrongful consequences. (p. 325)

Bell, in antithesis to Vaughan (1998), sees the Challenger disaster as the direct
result of purposive human action and irresponsible moral choice, even if the
action conformed to organisational rules. The action, he claims, can be
attributed to particular identifiable people. He views Vaughan’s analysis as
incomplete and says it ought to be viewed as such. If it is accepted as a
complete analysis, he argues, it obscures more than it reveals about causes,
purpose and consequences. Bell also contends that such analyses absolve
individuals of their moral agency and encourage irresponsible behaviour of “the
social system made me do it” variety. He also claims that such analyses do not
assist people who try to improve human performance in the future. Bell
perceives Vaughan’s account as neither useful nor pedagogic. It ought not to
be made publicly available because it is likely to corrupt individuals in
organisations who are trying and have the capacity to disobey rules and belief
systems that may lead to immoral decisions. Bell, like many writers that fear
the loss of individual responsibility, is not willing to differentiate between
understanding individuals in organisations and absolving individuals in
organisations. He also seems to fail to differentiate the descriptive work that
Vaughan undertook from the normative. Vaughan did not ever suggest that
individuals in organisations ought to treat all decisions as routine and not
question the ethical implications of their decisions. However, she did state that
individuals in organisations do, and tried to provide an explanation of such
occurrences. Hare (1997) provides support for Bell’s (1998) antithesis to the
attribution of responsibility to the collective by stating that:
[we must never lose sight of the distinction between what we are told to do and what we ought to do. There is a point, beyond which we cannot get rid of our own moral responsibilities by laying them on the shoulders of a superior, whether he be general, priest or politician, human or divine. Anyone who thinks otherwise has not understood what a moral decision is. (p. 374)

Again, 'we must not' or 'one ought not to' does not provide explanations why we do and can. Obedience to authority, dehumanisation, and role morality does. Gioia (1992) is better positioned to provide the inside view of the perpetrator and the outside view of the examiner, in the classic Ford Pinto incident:

The recall coordinator's job was serious business. The scripts associated with it influenced me much more than I influenced it [them]. Before I went to Ford I would have argued strongly that Ford has an ethical obligation to recall. After I left Ford, I now argue and teach that Ford had an ethical obligation to recall. But, while I was there, I perceived no obligation to recall and I remember no strong ethical overtones to the case whatsoever. It was a very straightforward decision, driven by dominant scripts for the time, place and context. (p. 388)

Gioia's (1992) reflections emphasise the nature and difficulty of moral judgements. Emmet (1966) calls such judgements problematic, because the rules of morality are not applied automatically. "To face them [moral judgements] responsibly is to approach them as moral problems, without special pleading, fear or favour. It is also to face them as moral problems where the answer is not always given by just looking up the local book of rules" (p. 108). When a person approaches moral problems as moral and problematic then the person uses his judgement and makes decisions, claims Emmet.
What we are seeing in organisations is that the book of rules often excludes morality and prescribes obedience to the rules that exclude it. This further limits the possibility of appreciating the problematic nature of moral judgements, and thus makes the possibility of increasing the skill of making moral judgements impossible (Emmet, 1966). So, both learning to make moral judgements and making them becomes an organisationally controlled activity. This phenomenon in some organisations makes people in them anomie. Miceli (1996) describes the anomie manager as a parallel to a sociopath. The anomie manager's pursuit of profit excludes all moral considerations from decision making.

Understanding why people behave the way they do in organisations will enable individuals and organisations to develop systems and processes that enable moral choice by the individual for the organisation. Collier (1998) calls it the one-sidedness of academic business ethics and identifies it as one of the intellectual and philosophical reasons that are responsible for the problems facing business ethics. Ethics, Collier clarifies, developed with autonomous persons in mind, and its own theory of the person. A moral agent in philosophical ethics can only be a person. Business ethics in organisations is about the collective, not the individual. Collier suggests, that “if business ethics is to work with and through the 'collective' as object, it requires analogous theoretical understanding of 'business' – in other words, it needs to be integrated with an articulated theory of organization as moral agent” (p. 622). Collier outlines two beneficial outcomes of the combination of the organisation with the ethical. The provision of a heuristic to the business world that will enable the evaluation of its practices and the provision to the business ethics
academy of a theoretical framework that includes the organisational, philosophical and sociological theory, but able to support a meaningful theory-practice interchange because it will be grounded in practice.

The organisation affects the individual and it provides the environment in which decisions with ethical implications can be made that would not be made in the private lives of the decision-makers. Individuals become “immersed in the formlessness of the modern organisation” and engage in unethical conduct (Clinard & Yeager, 1980, p. 273). This moral formlessness is what moral anomy refers to. The emphasis on costs, profits, returns to shareholders, market share etc. leads to moral anomy, camouflaged for the psychological well being of people in organisations as loyalty and obedience.

The dominant themes in the literature reviewed appear to lead toward a powerful conclusion. The moment the issue of moral agency enters the organisation, most organisational and sociological theoretical propositions are suspended. The organisational culture and climate that can explain so much, and affect everything and everyone in organisations, suddenly lose their potency and have nothing to do with the responsibility of people making decisions in them. When it comes to moral agency, suddenly the individuals that organisations could affect, guide, and control, are assumed to be able to retain their individuality and be unaffected by the context they exist and decide in.

Organisations now aspire to be ethical, or if you like, more ethical. In order to accomplish that task, we need to be able to understand why they are not.
Suggesting people ought not to do bad things is not a helpful prescription when they do and will. What we ought to do is understand why they do, so we can alter the structure, process, and content of organisations to promote ethical behaviour.
5.1 RESEARCH FOCUS

This research examines the morality of persons and the effect of organisations on that morality. The propositions explored in this research are based on four underlying suppositions:

1. Ethical decision making is affected by personal values.
2. Ethical decision making is affected by the characteristics of the dilemma.
3. Organisational ethical decision making is affected by the ethical values of the organisation.
4. Ethical decisions made by people in organisations are different from ethical decisions made in their personal life.

These suppositions, developed further later in this chapter, provide four operational propositions, which are:

1. People are expected to make more autonomous moral decisions in personal dilemmas.
2. In bureaucratic organisations, people are expected to make more anomalous organisational decisions in low difficulty and complexity dilemmas and more heteronomous decisions in high difficulty and complexity dilemmas.
3. In clan organisations, people are expected to make more autonomous organisational decisions.
4. In a market organisation, people are expected to make more anomalous organisational decisions.

It is proposed that some organisations will enable moral autonomy, others will impose moral heteronomy and others will lead to moral anomy. This research
examines how people resolve organisational and personal ethical dilemmas, in order to ascertain any possible organisational influence. Researchers of organisation theory have inferred the influence of the organisational entity on individuals' decisions, but no evidence has been found of an investigation as to whether moral autonomy is exercised in organisational decisions. McKendall, DeMarr and Jones-Rikkers (2002) identified the lack of empirical evidence of the influence organisations' ethical climate exerts on illegal behaviour and question the assertions made by writers on the field given the absence of such evidence. The problem this research addresses is the identification of the personal and organisational impact on the ethical decision making of individuals in organisations. This understanding could make available a powerful tool to organisations to elevate the level of ethics in business practice (Fritzsche, 1995). Victor and Cullen (1987) also propose that conflict between the organisational ethical climate and personal ethical beliefs is a possible source of dissatisfaction, turnover and performance problems, and call for the investigation into individuals' adaptation to an ethical climate in terms of their personal ethical values. They claim such an investigation will enable an understanding of several affective and behavioural responses to organisations.

This research examines individuals making decisions about ethical dilemmas. It is hypothesised that decision-makers are affected by their personal values and the characteristics of the dilemma. In the case of work related dilemmas, it is also asserted that the decision-maker is affected by the ethical values of the organisation. These three factors, personal moral values, organisational ethical values and characteristics of the dilemma, combine to create a decision made by an individual that can be classified into one of three categories: morally
autonomous, morally heteronomous or morally anomous. These decision categories will be explained in this chapter, together with the model developed in this research (see Figure 5.1), based on the understanding of autonomy and organisations that has been explained in the literature. Because the model developed iteratively, it is not possible to exclude all of the debates in the literature from this chapter. References are made to theories that have been important in defining the various components of the model to clarify their nature and relationships.

The research is based on the premise that public and private moral decisions differ and as a result, people in organisations decide differently in moral terms in comparison to personal/private decisions. This understanding will help clarify the organisational posture and structure that is necessary to promote ethical behaviour.

The conceptual model (Figure 5.1) outlines the possibilities between the external moral order, the organisational world and the moral possibilities in organisational decisions. In this research, the left-hand side of the model is examined. Society's moral order is accepted as congruent with the external moral order. The possibility presented on the right hand side of Figure 5.1 is developed in Tsahuridu (2002). The two sides are more accurately viewed as the ends of a continuum. Individual societies' moral orders may be located anywhere between these two ideal positions.
Figure 5.1
Conceptual Model of Ethical Decision Making in Organisations

Notes:
1. This research addresses only the left hand side of the diagram. It assumes a societal order that is consistent with the external moral order. The right hand side is expanded in Tsahuridu (2002).
2. The model is based on Golembiewski’s (1989, and personal communication 27 June 1999) proposal that organisational values need to be subjected to an external and transcendent moral order (see Tsahuridu & McKenna, 2000).
5.2 MORALITY IN ORGANISATIONS

The operational model in this research addresses the organisation and the individual in ethical decision making. It develops a framework for analysing the congruency of organisational and societal values and the effect such a congruency may have on the individual's ethical judgement. Ethical decision making models in organisations assume the existence of moral awareness. The assumption of organisational ethical decision making models (Colby & Kohlberg, 1987; Trovino, 1986) is that people recognise and think about an ethical dilemma when they are confronted with one. This is questioned by Gioia (1992). He argues that decision-makers in organisations are usually not aware of the ethical issues and use familiar "scripts" that do not include ethical considerations. Familiar problems in organisations are handled with existing scripts, "scripts that typically include no ethical component in their cognitive content" (p. 388).

The model presented here examines the possibility of the lack of moral awareness that is the result of the incongruency of the organisational values with societal values. Hence it addresses the amorality in business and its effect on the individuals' morality.

People in organisations may fail to recognise the moral issues they are facing and thus fail to employ moral decision making schemata, instead employing other schemata such as economic rationality (Jones, 1991). Jones refers to role and event schemata. The moral decision-making, Jones characterises as
an event schema, the moral decision maker as a role schema. So it may be possible for decision-makers to fail to recognise themselves as moral decision-makers but instead see themselves as economic decision-makers, thus making an economic decision that may be morally anomalous.

Organisations that are incongruent with the social moral order are likely to accept the organisational self-interest value. As explained in Chapter 1, behaving in a manner that results in self-benefit or is motivated by self-interest, irrespective of the consequences is not moral, because morality by definition requires using the capacities one has for non-personal benefit. People pursue two utilities; the one adhered to by the neoclassical economic paradigm, which Etzioni (1988) calls pleasure utility, and moral utility. Etzioni suggests that pleasure utility and moral commitment codetermine behaviour and moral commitment is at least as important as pleasure utility.

Behaviour that excludes morality and is only concerned with the pleasure utility may not be immoral either, because immoral behaviour presupposes moral awareness. Immorality in management, implies a positive and active opposition to what is ethical (Carroll, 1989). It prescribes the goals of profitability and organisational success in market share and financial terms, at any cost. The operating strategy in this case would focus on exploiting opportunities for organisational or personal gain and its operating question would be "can we make money with this action, decision, or behaviour regardless of what it takes" (p. 91). Moral management on the other hand would act, behave and decide in a manner that is fair for the organisation and all its stakeholders. Carroll (1989) divides amoral management into intentional and unintentional. Intentional
Amoral managers do not involve the factoring of ethical considerations into their decisions, actions and behaviours because they believe that business activity lies outside the sphere to which moral judgements apply. These managers differentiate the rules applicable to business from those applicable to other activities and they are neither moral nor immoral. Unintentional amoral managers do not perceive business activity in ethical terms because they are casual, careless or inattentive about the possibility of negative or deleterious effects from their decisions and actions. Amoral management does not attend cognitively to moral issues but is instead guided by the marketplace, constrained only by the letter of the law. The question guiding decision making will be "can we make money with this action, decision, behavior" (p. 94) without intending to be moral or immoral. This approach is characteristic of an organisation with inconsistent organisational values in a moral society.

In the literature review it was explained that people develop something that is a self. The self contains personality and values. These elements distinguish each person from others. The values people develop, guide their behaviour when they are activated. These characteristics make people accountable and responsible for their decisions and behaviour. The process of internalisation makes values one's own. For Kant and other libertarian philosophers, this process is the outcome of rationality and of thinking about what is right. For communitarians, it is the process of evaluating society's moral code and accepting what is considered appropriate. The possibility of not making values one's own but complying with societal, religious and other values was also addressed (Benn, 1988). In the former case persons are autonomous because they obey the self-authored or accepted moral law, and in the latter
heteronomous because they decide or behave in accordance with a law that is not theirs but provided by an external source. In both cases however, there is a moral law that the person uses in making an ethical decision.

Amoral organisations create an environment in which people are stripped from their moral nomos, be that self or other imposed nomos, which is replaced by the market or economic nomos. They are not free to apply their internalised or borrowed nomos but they are required to comply with the market nomos provided by the organisation. It must be clarified that the lack of moral nomos required by such an organisation does not lead to heteronomy because moral autonomy and moral heteronomy presuppose a moral nomos. The absence of ethics in an organisation does not render the employee in the organisation heteronomous because there is no moral law that the employee is able or permitted to use. They become, at least in their organisational capacity, morally anomous.

The model does not require that the positions proposed are fixed and individuals and organisations do not shift between them. It does propose however, that organisations that are inconsistent with societal morality are more likely to lead to moral anomy than organisations that are consistent with it. The decision situation and the personal values of the decision maker will also affect the recognition of the ethical elements of the decision situation.
5.3 COMPONENTS OF THE MODEL

The model comprises four levels, the external moral order, the societal moral order, the organisational moral order and individual decision making. These levels and their relationships will now be addressed.

5.3.1 External Moral Order

The 'external moral order' was originally defined by Aristotle (1976, p. 63) as Good: "that at which all things aim". Aristotle also addressed the possibility of the relativism of Good. He explained that good can be distinguished from bad in an objective manner "by reference to reasons that do not derive merely from local traditions and practices, but rather from features of humanness that lie beneath all local traditions and are there to be seen whether or not they are in fact recognised as local traditions" (Nussbaum, 1993, cited in Wijnberg, 2000, p. 333).

This raises the issue of objectivity in ethics that will now be addressed briefly. Two broad views exist. One perceives ethics as relative and as such irreducible to any form of objectivity, while the other perceives ethics as an objective truth, valid across time and cultures. These two views are those of relativism and universal ethics, respectively. The contradiction between them exists because as Fromm (1949) suggests we have not developed fully as humans and societies of humans. He more specifically states that the contradiction "will be reduced and tend to disappear to the same extent to
which society becomes truly human, that is, takes care of the full human development of all its members" (Fromm, 1949, p. 244).

The relativistic approach claims what is ethical is contingent upon the individual or the individual's culture (Pelton, Chowdhury, & Vitell, 1999). Relativism is further distinguished between "descriptive relativism" which is the empirical fact that peoples' moral principles are found to be different in different periods and cultures; and "normative relativism", which means that the actual rightness and wrongness of actions is relative (Emmet, 1966, pp. 92-93). Morality is not easily distinguished between absolute and relative, argues Emmet, because particular moral rules may make sense in certain contexts and not in other contexts. This however "does not imply an infinite diversity of morals, leaving us with only emotional preference or tradition to decide between them" (Emmet, 1966, p. 107) because something that exists beyond preferences and traditions exists.

Normative relativism does not perceive moral precepts valid across individuals and societies. Lewis and Speck (1990, cited in Pelton, et al., 1999, p. 243) arguing in such a manner state that the problem is that "there is no consensus on the right set of ethics. Ethics concerns not only the behaviour that is in society but also the behaviour that ought to be customary in society". This concern reinforces Fromm's (1949) claim that relativism is based on the fact that society is not what it ought to be, and when society approaches the external moral order relativism will no longer be an issue. Relativism is more importantly problematic because it is based on a fundamental contradiction. It "claims absolute validity and hence its very form presupposes a principle which
its manifest content rejects" (Mannheim, 1952, cited in Johnson & Smith, 1999, p. 1364). Johnson and Smith explain that relativism is unable to cope with its own critique and as a result it is unjustifiable on its very own grounds.

Kant is a strong advocate of universal ethics. He described morality as something rational, nonempirical and divorced from the disciplines of psychology, anthropology or any science of man (Taylor, 1997). Kant draws a clear distinction between what is, which according to Taylor belongs in the realm of observation and science, and what ought to be, which belongs in the realm of obligation and morals. Kant however sees morality as an 'is' because it exists a priori and is revealed to every human being, so for Kant all rational human beings will, through thinking, develop the same morality for themselves. Russell (1987), unlike Taylor and Kant, perceives ethics as a science that is concerned not only with the good but also the true. The commonly held view that ethics is concerned with the good but not necessarily the true, claims Russell, is based on the common conception of ethics as being concerned with human conduct, and the vice and virtue of such conduct. The aim of ethics, he argues, is not contained only in practice "but propositions about practice; and propositions about practice are not themselves practical, any more than propositions about gases are gaseous" (p. 19). So for Russell ethics is a normative field that aims to establish propositions of the practice not the practice itself. He therefore adopts an objectivist approach, claiming that such propositions exist and not a relativistic approach that perceives such propositions as relative to a specific time, culture or theory. Taylor, antithetically, questions the existence of a true morality and proposes the possibility that morality is based on conventions and practical formulas, which
may or may not be workable to achieve whatever aspirations move individuals. This view however, lacks wide support from ethics and business ethics philosophers. Werhane (1992) for example argues that the claims of metaethical relativism may be true, and moral precepts should not be accepted unconditionally. Similarly, Rachels (1997) suggests that it is necessary to examine the accepted ethical opinions and engage in philosophical argument. Such argument leads to the examination of commonly held opinions and may lead to doubting such opinions. Moral beliefs, even if firmly established in common practice should be criticised, and even modified or rejected if sufficiently good reasons are found. This process enables for the change of society’s moral order, it enables moral growth, and it may enable society’s moral beliefs and customs to advance toward the external moral order.

Werhane (1992) concludes that even if moral facts cannot be revealed, the patterns of rationality, moral reasoning, moral judgements, and values that spring from those patterns can. She subscribes to moral realism, which rests on the premise that some objective ethical values exist. She explains moral realism as closely related to moral cognitivism. That is the belief that certain moral principles exist, which are true, binding on, and valid for all individuals. This research aims to assist in the development of propositions about the practice of ethics in business organisations by exploring the effect of organisations on individuals, thus providing further knowledge for the establishment of the truth.
5.3.2 Societal Moral Order

Societies in different times may have customs and values that are not consistent with the moral order. The Athenian society's treatment of women and slaves can be a case in point. Individuals however have a responsibility for the development of their personal morality, which for Russell (1964) is not the unquestioned adaptation of society's moral code but rather its critical examination. The critical examination of society's moral code may lead to a conscientious conviction of an individual to act against it. Russell, unlike Kant, does not believe that individuals formulate their own moral code, but he prescribes the critical examination of society's moral code. At the societal level, the law and its synergistic and intimate relationship with ethics is also identified by Dunfee (1996).

Ethical decision-making is founded on the premise that objective moral standards or facts exist (Werhane, 1992). Without this premise, ethical moral judgement is nonsensical, claims Werhane, and explains that "moral standards are both the ground and the ideal: the necessary condition for moral decision-making to take place and the ideal which each decision and judgement seeks" (p. 392). The existence of moral facts provides an objective basis that enables moral judgements, as well as the ideal or goal of moral decision making. Ethical decision making according to Werhane, is a continuous activity that takes place within a particular institutional, cultural, and universal level with the aim of discovering moral facts as well as evaluating and improving the methodology of discovery.
This ideal in society can be discovered through Kant's social contract (Dodson, 1997). Kant in the first Critique (cited in Dodson, 1997, p. 96) explains this ideal as "a constitution allowing the greatest possible freedom in accordance with that of all others". In any given period of history, society does not reach or match this ideal, but the ideal can be approximated through humanity's collective efforts and there is an obligation to try to do so. Dodson finds the concept of the ideal analogous to a limit in calculus, the ideal is approached by civic society but it is not identical to it.

The moral order, Golembiewski (1989) explains, is above the ethics of any one time and place, it is unchanging and unchanged. "The human drama involves adjusting our ethical sets so as to approach more closely our knowledge of the moral order as it becomes increasingly possible to do so and as our moral insights become increasingly precise" (p. 61). Golembiewski (1989) differentiates between conduct, morals and ethics. Conduct, he states, refers to the observed behaviour of individuals or groups, while ethics refers to "the contemporary standards at any point in time on which men evaluate their conduct and that of men about them" (p. 61). Morals, Golembiewski explains are "absolute standards that exist beyond time, standards of the good and the true" (p. 61). Golembiewski explains that we may live our life by our ethics, but the course we set must be based on the moral order as we come to know it. The expansion of business ethics (Byrne, 2002; Tsahuridu, 2002) and the moralisation of vegetarianism and smoking (Rozin, Markwith, & Stoess, 1997; Rozin, 1999) are expressions of changes in societal moral order and evidence of moral growth.
The external moral order or the good that is accepted here is not a relative phenomenon based on the preferences or idiosyncrasies of societies and individuals, but rather on morality that is objective and valid across cultures and time. This conclusion is based on the reasoning explained earlier. It is also supported by empirical research conducted by Abratt, Nel, and Higgs (1992) that found culture, the different socio-cultural and political factors, to have very little or no impact on ethical beliefs.

5.3.3 Organisational Ethics

The term organisational ethics is not used here as a different ethics that is applicable to organisations, but as the application of ethics on organisations. The organisation is a sub-system of the social system. As part of the social system, "the value system of the organization must imply basic acceptance of the more generalized values of the superordinate system — unless it is a deviant organization not integrated into the superordinate system" (Parsons, 1960, pp. 20-21). Examining the existence and occurrence of amoral management and the distinction between public and private morality that was addressed earlier, the hypotheses that can be formulated are that either amoral management is deviant, or that amorality is accepted/demanded by the superordinate system.

The model (Figure 5.1) extends the understanding that the problem with moral values in business organisations exists when there is incongruence between individual and organisational values (Liedtka, 1989). Liedtka claims the issue of individual and organisational values arises only if there is no congruence and
prescribes the analysis of the dyad (individual-organisational values) to determine whose value system or self image dominates the decision making process. This model proposes a triad instead consisting of societal, organisational and personal values. Congruency between individual and organisational value systems may not create an ethical 'issue' if both value systems exclude moral values. It thus proposes that what is necessary is a congruency between organisational and societal values to make possible the identification and examination of issues in ethical terms. If that congruency exists, then people have the capacity to make ethical decisions. It qualifies that both organisational and personal values must include ethical values that are in congruence with the societal values and the external moral order. This type of congruency enables even if it does not guarantee moral autonomy of persons and organisations.

Liedtke (1989) also suggests that “in the absence of conflict between individual and organisational values, the rational and satisficing theories are not seriously inaccurate in describing the actual decision process. In these cases, the individual accepts organizational values, perhaps unconsciously” (p. 806). If however there is no conflict between individual and organisational values then the organisation will not object if the individual uses his/her individual values. Conflict between or within value systems, according to Liedtke, leads to the disruption of decision scripts, forcing individuals to use non-scripted processes. But this account does not address the individual as filler of roles or subject to rules, discussed in the previous chapter. Individuals as role fillers, can exclude personal moral values from organisational decisions, thus eliminating this conflict and using scripts developed by the organisation.
5.3.4 Individual Decision Making: Autonomy, Heteronomy and Anomy

Autonomy and heteronomy are antithetical extremes in the sphere of morality. Anomy lies outside this sphere, and it excludes morality. These elements of the model will now be described.

In this research, moral autonomy refers to individuals' capacity to possess ethical values and apply these values in ethical decisions. The emphasis of moral autonomy is on both the right thing to do and the good thing to do. Persons can be morally autonomous in both the deontological and teleological views, because the difference between deontology and teleology is the relative priority they place on the concepts of good and right (Nesteruk, 1991a).

Nozick (1991, p. 494) claims that "all substantive ethics has been fitted or poured into these two powerful and appealing moulds" the moulds of deontology and teleology. Deontology is a libertarian position based on universal individual rights (Etzioni, 1996). Deontology argues that morality primarily involves a respect for each individual's rights by performing one's corresponding duties (Singer, 1997; Wheeler & Brady, 1993). The moral status of an act, according to deontology, should be judged not by its consequences but by the agent's intentions (Etzioni, 1996). The teleological approach determines the morality of an action by its end results or consequences (Singer, 1997). Teleology is a communitarian position which sees values as anchored in particular communities (Etzioni, 1996).
Deontology and teleology are not forms of reasoning, but rather "behavior-orientations that can be independently rationalized" (Brady & Wheeler, 1996, p. 987). As a result most people in most situations evaluate the ethicality of an act on the basis of a combination of deontological and teleological considerations (Hunt & Vitell, 1986). Support for this model is provided by the research conducted by Hunt and Vasquez-Parraga (1993) where variance in ethical judgement can be explained by deon (duty) and telos (end) and variance in intention can be explained by ethical judgement and telos. DeConinck and Lewis (1997) also found that both deontological and teleological considerations influence ethical judgements with deontological being more influential.

Moral autonomy is possible in organisations. Davis (1996) perceives both agent centred (Dworkin, 1998) and desire centred (Frankfurt, 1981) conceptions of autonomy consistent with the employer – employee relationship, despite their differences. On the agent centred conception the crucial question according to Davis is: "Does the employer leave the employee with the relevant capacities to reflect on his desires and to accept or change them based on higher order desires" (p. 444). On the desire centred conception the question is: "Does the employer instil desires (or, as a manager might say, motivate) in an inappropriate way, or instil desires that could not survive exposure to the facts, or instil desires with which the employee cannot identify?" (p. 444). Davis argues that in the agent centred autonomy, some hierarchical organisations may limit any possibility for independent thought. In the desire centred autonomy, Davis accepts that some employees will respond affirmatively to the questions posed but most would not, and few organisations transform their employees into automatons. If employees are not automatons, then they should
be able to act autonomously in work organisations as they can outside work organisations and the fact that they are obeying orders is not enough, for Davis, to show that they are not acting autonomously.

Moral autonomy is preferable to heteronomy (Bann, 1988). Moral autonomy is congruent with moral agency and with being a person. It is also congruent with respecting each person and treating persons as ends and never as means. It is also possible that ethical decisions can be made in moral heteronomy. Thus moral autonomy is not the only state that renders moral decisions possible, as it appears possible for heteronomous morality to be as moral as autonomous morality. Autonomy must not be equated with morality and heteronomy with immorality. Antithetically, autonomy and heteronomy may provide the plateau on which morality for individual's living in societies is possible. Heteronomy is however problematic because it presupposes the use of people as means and not as ends in themselves. “A person is considered to act autonomously only if the action is compatible with that person’s ‘considered moral judgement’” (Shaw, 1996, p. 269). This is a definition that is in harmony with the conceptions of autonomy examined in the previous three chapters.

Autonomy as self-rule is thus possible in organisations if the decision maker is able to assess the organisational influences. It is not possible however, if the organisation determines the behaviour rather than the decision maker's evaluative assessment. A person then possesses autonomy if that person does not simply react to the environment or other influences, but actively shapes behaviour in the context of the environment and the other influences. This conception of autonomy allows for a person to be subject to the hierarchy
or the organisation, without necessarily sacrificing his autonomy. May (1994) posits a person's judgement as helmsman. Action is a means to an end and the agent sets the direction. The direction is set based on considerations which may or may not be controlled by the agent, but the direction is not simply a product of these factual considerations, but a product of the agent's active assessment of factual information. This, concludes May, is a plausible conception of autonomy in society. As mentioned, Kant and Rousseau make autonomy in society plausible if society's values are congruent with each individual's values, thus making each individual subject to his own values and thus autonomous. This is perceived as unlikely in the current globalised and plural world. May's communitarian approach allows for autonomy in society and in the community of the business organisation.

Anomy is the lack of moral orientation. It appears to be closely associated with the amoral, or lack of moral values in decision making that leads to amoral judgements of individuals and organisations. The model presented here takes into account the possibility that decisions and actions in organisations may exclude ethics.

An autonomous moral decision would be based on personal criteria, on the individual's will or the individual's perception of the 'good' to society. It cannot be based on external values. The self motivates the autonomous moral decision and it is the self-legislated law that it adheres to. Its explanation is thus not possible by any other parameter than the self.
A heteronomous moral decision can be made by applying external principles and values. Its explanation is thus possible by the expected or perceived ends or external rules.

The anomalous decision is a decision made in the absence of moral reasoning. An anomalous moral decision is a decision made under uncertainty where the decision-maker is unable to recognise the moral issue so the judgement does not involve the use of moral reasoning, it is made under conditions of moral lawlessness. The decision-maker in the organisational context is indifferent about the ethicality of the decision.

5.4 DEVELOPMENT OF RESEARCH PROPOSITIONS

The main question explored in this research is organisations' possible effect on the moral autonomy of their decision-makers. It is proposed that organisational ethical decision making is affected by the ethical values of the organisation. Some organisations are expected to enable moral autonomy, others to impose moral heteronomy and others to lead to moral anomy. As a result, the ethical decisions made in and for organisations are expected to be different from ethical decisions people make in their personal lives. The literature and rationale for this question have been discussed in Chapters Three and Four. In addition, how the characteristics of ethical dilemmas, in particular their difficulty and complexity, affect the moral autonomy of decision-makers is examined (see supposition 2). The unit of analysis is the individual, because it is the individual
who makes decisions, even if on behalf of others and subjected to scripts or rules imposed by others.

To explore moral autonomy in organisational decisions, ethical dilemmas in the organisational and personal contexts are used, where respondents are asked to address dilemmas that differ in complexity and difficulty. The characteristics of the dilemmas and their selection process are reported in Chapter 6. Different organisations are expected to have different degree and scope of influence. In order to explore how different organisations affect the morality of their members, three disparate organisations are chosen. The typology for differentiating between organisations used here is Ouchi's (1980) bureaucracies, markets and clans.

The research propositions operationalise the research suppositions. These are summarised in Table 5.1 in relation to personal/organisational and difficulty/complexity dimensions.

Research Proposition 1
People are expected to make more autonomous moral decisions in personal ethical dilemmas and in organisations that have values congruent with society's values, than under other circumstances (see Table 5.1).

Research Proposition 2
Decision-makers in bureaucratic organisations are expected to make more anomalous organisational ethical decisions in organisational dilemmas of low difficulty and complexity (see Table 5.1) and heteronomous decisions in
organisational dilemmas of high difficulty and complexity. This is because in dilemmas of low difficulty and complexity, people in an organisation that is guided by strict compliance with the rules provided, may not identify the ethical elements of the dilemma. In complex and difficult decisions, decisions that have higher moral intensity (Jones, 1991) persons are more likely to have moral awareness. In these dilemmas, the individuals are expected to make decisions that comply with the rules, regulations and law that are provided by the organisation and the professional bodies or legal system but less likely to rely on their own moral values. In these dilemmas the individual may try to decide in accordance with organisational expectations and the decision will be based on such organisational input.

Table 5.1
Research Propositions for Ethical Decision Making

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<td></td>
<td>Difficulty</td>
<td>Complexity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>An</td>
<td>H</td>
<td>An</td>
</tr>
<tr>
<td>Clan</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Market</td>
<td>An</td>
<td>An</td>
<td>An</td>
</tr>
<tr>
<td>Personal Dilemmas</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

Where: H = Heteronomous, An = Anomous, and A = Autonomous.

Research Proposition 3

Decision-makers in a clan organisation are expected to make more autonomous organisational decisions. In clan organisations, decision makers are expected to be given more freedom and allowed more autonomy to use
their own moral values and are thus more likely to exercise moral autonomy. This is the case because clan organisations are characterised by independence, or the ability provided to people to use their personal moral values, and also by benevolence, which is based on caring for others.

Research Proposition 4

In a market organisation, decision-makers are more likely to make anomalous decisions because the emphasis of such organisations is instrumentality, which is based on egoism. As it was explained in Chapter 1, egoism excludes morality.

5.5 RESEARCH DESIGN

The research design is based on the key concepts of the context of the organisation, the personal values of individuals, and the judgements individuals make. It was thought that the way people resolve organisational and personal dilemmas will provide an insight as to whether they exercise moral autonomy in organisational decisions. It is therefore necessary to examine the context different organisations provide, the ethical value of people in the organisations and the judgements these people make in organisational and personal dilemmas.

In order to accomplish these tasks both quantitative and qualitative research was considered necessary. The research questions require the assessment of the organisational ethical climate (the perception of the organisational ethical values by the individual decision-maker), and the personal ethical values of the
decision-maker. The ethical climate and personal values can be examined quantitatively, using existing instruments that have been shown to be reliable and have been validated in several studies. In this research, Victor and Cullen’s (1987, 1988) Ethical Climate Questionnaire (ECQ) and Forsyth’s (1980, 1992a, 1992b) Ethics Position Questionnaire (EPQ) are used, to examine the ethical climate and personal values respectively. The research questions also require assessing how personal values are applied in personal and organisational ethical judgements. It was therefore necessary to develop a range of ethical dilemmas to ascertain individuals' ethical reasoning in organisational and personal contexts. These dilemmas needed to be relevant to the respondents and to be of predictable difficulty and complexity in order to make comparisons between organisational and personal type dilemmas. The development and selection of the ethical dilemmas, and the data collection process are discussed in the following chapter. The ECQ and EPQ will now be explained and their selection and use justified.

5.6 ETHICAL CLIMATE

The Ethical Climate Questionnaire developed by Victor and Cullen (1987, 1988) is used for the assessment of the ethical climate of the three organisations. Organisational climate is used in this research because it relates to the workplace as a community (Agarwal & Cruise-Malloy, 1999) and as such, it provides formal and informal beliefs, values and norms that inform the members of the community how they ought to behave. The moral climate of an organisation addresses its moral concerns and is an intervening variable (Cohen, 1995, cited in Agarwal & Cruise-Malloy, 1999, p. 3) that explains the
effect of the organisation on employee behaviour. It is defined as the “prevailing employee perceptions of organizational signals regarding norms for making decisions with a moral component” (Cohen, 1998, p. 1213). These employee perceptions are shared between the members of an organisation (Elm & Nichols-Lippitt, 1992).

Victor and Cullen (1987, pp. 51-52) define the ethical climate of an organisation as “the shared perceptions of what is ethically correct behavior and how ethical issues should be handled”. The ethical climate, according to Victor and Cullen, is one dimension of the work climate, and reflects and helps to define the ethics of an organisation. It is a relatively stable, psychologically meaningful perception that members of an organisation hold, concerning ethical procedures and policies (Wimbush, Shepard, & Markham, 1997b). It focuses on the perception of individuals and how that perception understands what the organisation sees as ethical (Dickson, Smith, Grojean, & Ehrhart, 2001). It is determined by factors such as the environment in which the organisation functions, the form of the organisation, and the organisation's history (Cullen, Victor, & Stephens, 1989). Here it is important to stress that what an organisation sees as good or right, may not be considered as such by the broader society. Dickson et al. (2001) emphasise this point and prefer the term climate regarding ethics instead of ethical climate, which implies the existence of ethics in the climate. In this research both terms are used, but it must be kept in mind that the ethical climate does not necessarily contain ethics nor makes people in the organisation ethical. As we will see later, a highly instrumental climate is more likely to make people behave unethically, but such behaviour will be considered right and good by the organisation.
The ethical climate is an appropriate measure for this research because it ascertains employee perceptions of the organisational influence on ethical judgements. It also reflects behavioural expectations the organisation places on its members.

5.6.1 ECQ's Philosophical Basis

Looking beyond what ethical climate is and how it affects people, the basis for the ethical climate questionnaire is provided by Kohlberg (1984). Kohlberg identified the socio-moral atmosphere of an organisation as a significant factor in ethical decision making by individuals in organisations. He asserts that organisations possess norms for ethical judgement. These norms vary between organisations, so organisations have different ethical climates and the ethical climate perspective captures the socio-moral atmosphere.

The ethical climate (Victor & Cullen, 1987) is based on the egoism, caring and principle ethical orientations, which correspond with Kohlberg's (Colby & Kohlberg, 1987) preconventional, conventional, and post conventional stages (Chapter 2 addressed Kohlberg's theory of Cognitive Moral Development and Gilligan's, 1982, ethics of care). These correspond to the philosophical ethical classes of egoism (hedonism), utilitarianism (teleology) and principle (deontology). Egoism is also a teleological orientation; thus the three classes are representations of teleology and deontology, so as it was mentioned earlier (Nozick, 1981) the three classes can be poured into the teleological and deontological moulds. In terms of individuals' motives, the ethical classes of
egoism, utilitarianism and principle can be described as: maximising one's own interests, maximising joint interest or adherence to universal principles respectively.

In relation to the decision making model of this research, egoism corresponds with the anomalous decision category, while the utilitarian and principled classes correspond with the heteronomous and/or autonomous categories. The instrument used to measure personal ethical values, the Ethical Position Questionnaire (which will be described later in this chapter) is also based on deontology and teleology, thus making the comparisons between orientations and ethical judgments meaningful.

5.6.2 Micro and Macro Levels of Ethical Climate

An important question about ethical climate is whether it is an individual (micro) or an aggregate (macro) level phenomenon. Some insight can be gained from the analogous concept of organisational climate. In the case of organisational climate as is the case with ethical climate, there is no consensus of opinion. This lack of consensus is understandable, since ethical climate is contained in organisational climate.

The ethical climate is seen as a macro level concept as it describes the moral environment of the organisation and its sub-units (James, Joyce, & Slocum, 1988; Wyld & Jones, 1997). However, the essence of the construct and its relationship to individual ethical decision making, also give it a micro level
dimension. James et al. (1988) posit that climates of any kind exist on two levels: (a) the psychological plane found in the individual's perception of the climate and (b) the organisational plane where climate is the aggregate perception. A psychological climate consists of the individual perceptions that reflect how work environments, which contain organisational attributes, are made sense of and understood by individuals (James et al. 1988). The aggregate of the individual psychological climates makes up the organisational climate, if individuals in an organisation share perceptions. Shared perceptions imply shared assignment of meaning, according to James et al. (1988, p. 129) and "attributing meaning to environmental stimuli is a product of cognitive information processing, and it is individuals and not organizations that cognize" (p. 130). Glick (1985) argues that the organisational climate is an emergent property that cannot be entirely reduced to its constituent elements at the individual level of analysis. This view is based on the attributes of organisational climate described by Schneider and Relchers (1983, cited in Glick, 1985) that include: (a) common exposure to the same objective structural characteristics, (b) selection, attraction, attrition of organisational member, resulting in a homogenous set of members, and (c) social interaction, reflecting the symbolic interactionist perspective, focusing on the interaction as the unit of theory and analysis. Organisational climate is thus developed in a societal context and cannot be reduced to the individual level.

In this research, ethical climate is accepted as a macro level concept that enables people in organisations to develop and share meaning and understanding about what is expected and considered appropriate in terms of ethics in organisations. The environment, history and structure of the
organisation affect it and in turn it affects the individuals who act in and for the organisation.

In summary, the organisation as a community has a climate that reflects shared values and beliefs. The climate of the organisation develops through its formal and informal systems and affects the behaviour of individuals acting in and for the organisation. The ethical climate is part of the general climate of an organisation and provides norms for ethical decision making. The organisation's ethical climate helps to determine "(a) which issues members of an organisation consider to be ethically pertinent, and (b) what criteria members of an organisation use to understand, weigh, and resolve these issues" (Cullen, et al., 1989, p. 51). As such, an ethical climate contains the policies, practices and procedures that are rewarded, supported and expected regarding ethics in an organisation (Schneider, 1987). The ethical climate does not necessarily define what is right and wrong but focuses on the things an organisation's members perceive the organisation to accept as ethical (Dickson et al., 2001). A basic assumption of Victor and Cullen's ethical climate research is that ethical criteria are prevalent and significant in organisational decision making. That is, organisational decision making does not only involve statements of fact but it frequently involves questions about "what ought to be" (p. 52).

This understanding of ethical climate is important because it clarifies that an organisation's ethical climate has normative content and it communicates to an organisation's members what they ought to do, as well as what is acceptable and expected. It is because the organisation has the capacity to have an ethical climate that it can influence the moral behaviour of its members. This
capacity is what can affect the moral autonomy of an organisation's members. An ethical climate does not necessarily prescribe ethical behaviour. Organisations that have egocentric climates will not promote ethical judgements or behaviour. They are likely to discourage their members to apply any moral values. As noted above, it has been clarified that an ethical climate may not be ethical at all and it is more appropriate to refer to it as the climate regarding ethics (Dickson, et al., 2001).

The organisation's ethical climate is a major force that affects ethical decision-making but it does not affect all decisions made in organisations. It excludes issues such as how information is gathered, conventions and rules that do not have an impact on morality, and organisational choices that do not affect the well being of individuals or groups. Thus, according to Cullen et al. (1989) an ethical climate does not deal with questions of fact or convention. The ethical climate deals with questions of morality that affect others, including the organisation. The ethical climate is important in relation to ethical behaviour, because different types of ethical climate can be associated with different types of ethical behaviour (Cullen, et al., 1989).

5.7 PERSONAL VALUES

The personal moral values of respondents need to be ascertained, in addition to the assessment of the ethical climate of the three organisations, so the distinction between autonomous, heteronomous or anomalous moral judgements can be made.
Values affect the individual characteristics of the person–situation dyad that affects judgments, intentions and behaviour. Consequently, the existence of values does not guarantee their use in decision situations, and the situations when values are more likely to be activated and used have been outlined.

Values are abstract ideals, “representing a person’s beliefs about ideal modes of conduct and ideal terminal goals” (Rokeach, 1968, p. 124). Beliefs, Rokeach explains, provide the content that describes the truth, correctness, and goodness of objects. They advocate certain courses of action and certain states of existence as desirable or undesirable. All beliefs according to Rokeach, are predispositions to action and a set of interrelated predispositions to action organised around an object or situation is an attitude. An attitude "is a relatively enduring organization of beliefs around an object or situation predisposing one to respond in some preferential manner" (Rokeach, 1968, p. 112). Beliefs like values may be consciously conceived or held unconsciously and can be inferred from behaviour.

Values have strong motivational, cognitive, affective and behavioural components (Duse, 1987; Rokeach, 1968). They are determinants of attitudes, as well as, behaviour. Internalised values become, "consciously or unconsciously a standard or criterion for guiding action, for developing and maintaining attitudes toward relevant objects and situations, for justifying one’s own and others’ actions and attitudes, for morally judging self and others, and for comparing self with others" (Rokeach, 1968, p. 160). Internalised values are not primarily dependent on any specific level of reward for their motivation.
Parsons (1960, p. 140), but they motivate behaviour and attitudes. They are internalised and influence behaviour, but do not have the character of goals (Lewin, 1952). Values are not force fields but determine which types of activity have a positive or a negative valence for an individual in a given situation.

Values are standards while attitudes are attached to specific objects, and individuals possess fewer values than attitudes, thus making values a more economical construct according to Dose (1997). Rokeach divides values into two categories: terminal values are concerned with ultimate goals such as freedom and equality, whilst instrumental describe values about conduct such as honesty and ambition.

Parsons (1951, p. 12) defines a value as “an element of a shared symbolic system which serves as a criterion or standard for selection among alternatives of orientation which are intrinsically open in a situation”. The cultural tradition according to Parsons is the shared symbolic system, which functions in interaction. This symbolic system must be relatively stable for the elaboration of human action systems. Culture is transmitted, learned and shared (Parsons, 1951), it is both the product of and a determinant of systems of human interaction.

5.7.1 The Ethics Position Questionnaire

The Ethics Position Questionnaire (EPQ) developed by Schlenker and Forsyth (1977) and Forsyth (1980, 1992a) is used for the assessment of the personal ethical values in this research. The EPQ is a psychologically oriented measure,
which focuses on relativism (teleology) and idealism (deontology). This measure was considered the most appropriate because it emphasises personal moral values and uses the relativism/idealism dichotomy, which parallels the philosophical dichotomy of teleology and deontology. This is important in this research because the Ethical Climate Questionnaire is also based on this dichotomy; thus the comparison between ethical climate and personal values will be possible and meaningful.

Other value instruments that were considered for this research were the England, Dhingra, & Agarwal (1974) Personal Values Questionnaire (PVQ) and Rokeach’s (1968) Value Survey. The PVQ was however not regarded an appropriate instrument for this research, as it measures values of managers and not the moral values of people in general. Rokeach’s (1968) Value Survey (RVS) measures values in general and not ethical values in particular and was thus not used in this research.
CHAPTER SIX
METHODOLOGY

This chapter describes the methodology and the research instruments and justifies their choice and appropriateness. The main issue addressed in this research is whether organisations affect the moral autonomy of their members. It also tests the assumption that the individual characteristics, the organisational characteristics and the characteristics of the dilemma impact on the possibility of moral autonomy.

The research instrument, as outlined in the previous chapter, uses the Ethical Climate Questionnaire (ECQ), the Ethics Position Questionnaire (EPQ) and ethical dilemmas that address organisational and personal issues. The anomy scale developed by Bachman, Kahn, Davidson, and Velasquez (1967, cited in Zahra, 1989) was also intended to be used. However, during the analysis it was found that this scale contributed complexity but not clarity and it has been excluded from discussion. The theoretical basis of the instruments and their reliability and validity, as well as, the selection process of the ethical dilemmas will be outlined in this chapter.

6.1 THE ETHICAL CLIMATE QUESTIONNAIRE

Victor and Cullen’s (1987, 1988) ECQ contains 25 statements referring to the climate of an organisation. More recently, Cullen, Victor and Bronson (1993) proposed ten additional items to the ECQ, however the original 26 item ECQ scale was found to be more parsimonious based on Fritzschke’s (2000) research and factor analysis.
The ECQ is based on the premise that the ethical climate represents the collective moral atmosphere that exerts pressure on an individual's ethical decision making (Upchurch, 1998). The measurement of ethical climate assumes that each organisation or subunit has its own moral character, group members know what this moral character is, and they can tell an outsider about their organisation's moral character in an objective way, regardless of how they feel about it (Cullen, et al. 1969).

The ECQ was developed based on social role theory to describe three different levels of analysis in ethical decision making: individual, local and cosmopolitan. The individual level bases ethical decision making on the individual. The local level grounds decision making on the practices, policies and related organisational phenomena, and the cosmopolitan level is external to the individual and the organisation and uses such bases as professional associations or a body of law (Victor & Cullen, 1988).

Victor and Cullen (1988) proposed nine ethical climates based on the philosophical distinctions of egoism, benevolence and principle that were described earlier and the individual, local and cosmopolitan levels of analysis, making a two dimensional theoretical typology (see Table 6.1). Each proposed ethical climate is distinct and represents a form of reasoning that might be used in organisational decision making. Empirically, Victor and Cullen confirmed the existence of five climates: Caring, Rules, Law and Code, Independence, and Instrumental (see Table 6.1). In this research the analysis will be conducted using the theoretical and empirical ethical climates. The theoretical dimensions
will be used to ascertain primarily the locus of analysis emphasis in each organisation.

Table 6.1
Ethical Climate Types

<table>
<thead>
<tr>
<th>Ethical criterion</th>
<th>Individual</th>
<th>Local</th>
<th>Cosmopolitan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egoism</td>
<td>Self-interest(*)</td>
<td>Company profit</td>
<td>Efficiency</td>
</tr>
<tr>
<td></td>
<td>Instrumental(***)</td>
<td>Instrumental</td>
<td></td>
</tr>
<tr>
<td>Benevolence</td>
<td>Friendship</td>
<td>Team interest</td>
<td>Social responsibility</td>
</tr>
<tr>
<td></td>
<td>Caring</td>
<td>Caring</td>
<td></td>
</tr>
<tr>
<td>Principle</td>
<td>Personal morality</td>
<td>Company rules</td>
<td>Laws and professional codes</td>
</tr>
<tr>
<td></td>
<td>independence</td>
<td>and procedures</td>
<td>Law and code</td>
</tr>
</tbody>
</table>

(**) In italics the ethical types empirically derived by Victor and Cullen (1988) using factor analysis.

In relation to the theoretical model of this thesis, moral autonomy will by definition be more likely in an organisation that is perceived high on the Independence dimension. The Independence climate allows and expects individuals to use their personal moral values to resolve organisational ethical dilemmas. Moral heteronomy will be more likely in the Rules, and Law and Code ethical climates. The emphasis of these climate types is the compliance with both organisational rules and regulations in the case of a Rules climate, or professional code and law in the case of a Law and Code climate. As a result, individuals will perceive the necessity to apply the other imposed rule to resolve ethical dilemmas, thus making moral heteronomy possible. Moral anomy will
be more likely in a highly instrumental organisational climate. Highly instrumental climates rely on egoism, and egoism by definition excludes morality. Morality rests on the ability to use ego capacities for non-ego ends (Hoffman, 1980, cited in Shelton & McAdams, 1990). Instrumental climates expect and emphasise ego ends, thus disabling morality. Caring type climates may enable moral autonomy or moral heteronomy. Moral autonomy in a caring climate will be likely when the organisation allows the individual to use his/her values that will result in the benefit or good of society. Moral heteronomy will be likely when the organisation provides the values that individuals use to care for others.

5.1.1 Reliability and Validity of the ECQ

The reliabilities of the five dimensions of the ethical climate derived by Victor and Cullen (1988) are: Caring: $\alpha = .80$, Law and Code: $\alpha = .79$, Rules: $\alpha = .79$, Instrumental: $\alpha = .71$, and Independence: $\alpha = .60$ (Victor and Cullen, 1987, p. 113). These are considered acceptable for exploratory research (Hair, Anderson, Tatham, & Black, 1995).

The reliability of the instrument was verified further in a number of other studies. Elm and Nichols-Lippitt (1993), used a 23 Likert item scale of Victor and Cullen's (1988) ECQ, corresponding directly to the Caring, Instrumental and Principled climates. The Cronbach alpha test of reliability in that study indicated that the Caring climate's $\alpha$ was 0.78, the Instrumental climate's $\alpha$ was 0.72, and the Principled climate's $\alpha$ was 0.70. These are all considered acceptable, according to Nunnally (1978).
Wimbush, Shepard, & Markham (1997a) examined the Rules, Independence and Instrumental dimensions in their research. The Rules dimension did not constitute a distinct factor in that research, probably because the Rules, and Law and Code factors are closely related and respondents did not identify them as different enough. This research identified another climate dimension, that of "service" ($\alpha = 0.85$), which relates primarily to customer service.

Sims and Keon (1997) used only 15 climate descriptors developed by Victor and Cullen (1988). The 15 items contained three descriptors from each of the five ethical climate dimensions found to exist by Victor and Cullen (1988), the Caring, Law and Code, Rules, Instrumental and Independence. Sims and Keon found similar reliabilities to those reported by Victor and Cullen (1998). This research examined four firms and found significant differences in the ethical climates, but no difference in the moral reasoning levels of the managers in the different companies, using the Defining Issues Test (Rest, 1979) to assess the managers' level of moral reasoning. However, the Defining Issues Test does not present subjects with business-related ethical dilemmas, rather it measures ethical reasoning in general. Therefore the effect that the organisational ethical climate may have on the ethical judgements in organisational dilemmas was not addressed. As a result the validity of the ECQ is not affected.

In the not-for-profit sector it was found that the dimensions in terms of loci of analysis (see Table 6.1) were polarised between individual and cosmopolitan (Agarwal & Cruise-Malloy, 1999). This indicates that members of that sector
fail to perceive an ethical climate of the organisation itself but concentrate on
the individual and the cosmopolitan levels. As a result, in the not-for-profit
sector, the organisational ethical climate is not a significant determinant of
moral behaviour, according to these researchers, but it may be moderated by
existential and/or universal values, norms and beliefs. The possibility of such a
phenomenon has been characterised as "pervasive, irrational and absurd", as
the lack of organisational control over members may be problematic and
impede efficiency and effectiveness (Hodgkinson, 1986, cited in Agarwal &
Cruise-Malloy, 1999, p. 11). This ideology of controlling employees and making
them compliant to achieve organisational effectiveness and efficiency, is what
makes moral anomy in organisations possible, turning persons into bits rather
than retaining them as whole persons.

The validity of the ECQ has also been confirmed in Deshpante's (1996)
empirical research. It was found that managers who believed their organisation
had an instrumental climate were more likely to perceive a strong negative
relationship between success and ethical behaviour, whilst managers who
perceived a caring climate in the organisation saw a strong positive relationship
between success and ethics. These findings support the hypothesis that
organisations with instrumental ethical climates are more likely to promote
moral anomy. Relationships between the perceptions of organisational ethical
climate and attitudes and behaviour in organisations have also been found
(Barnett & Valcys, 2000; Singhapakdi & Vitell, 1991a; Wimbush, Shepard, &
Markham, 1997b).
In summary, there is consistent evidence that the ECQ provides a reliable and valid instrument for assessing the values of organisations, as their members perceive them. These values have been found to affect ethical behaviour at work (Deshpande 1996). Vitell and Ho (1997) see the ECQ as a most promising approach to measuring an organisation’s environment. The results of the Cronbach alpha tests of the ECQ dimensions in this research are detailed in Chapter 7 where the quantitative data is analysed and reported.

Respondents use the instrument in this research to ascertain the perception of organisations' ethical climates. This finding will make possible the exploration of whether respondents use ethical values that are provided by the organisation or their personal ethical values to resolve organisational and personal dilemmas, thus enabling the exegesis of whether and to what extent organisations affect their people in moral judgements.

6.2 THE ETHICS POSITION QUESTIONNAIRE

The EPQ (Forsyth 1980, 1992a) contains 20 statements and assesses respondents in terms of relativism and idealism. Individuals who score high on the ten-item relativism scale, eschew universal moral principles and believe that morality depends upon the nature of the situation and the individuals involved. Idealists, individuals who score high on the ten-item idealism scale, believe that morality requires acting consistently with moral principles, norms or laws. Highly idealistic individuals feel that harming others is always avoidable and positive consequences for all involved determine decisions, whilst low idealistic individuals believe that harm will sometimes be necessary to produce good.
Relativism and idealism are not perceived as mutually exclusive. Individuals can score high or low on relativism and idealism. This idea is supported by Sharp-Paine (1996) who also argues that these two modes of thinking can be understood as principle and people orientations, which are not rivals even though they may conflict at times, but rather complimentary ways of thinking. Based on the idealism and relativism distinction, Forsyth developed the taxonomy of personal moral philosophies (see Table 6.2).

The ethical ideology taxonomy indicates that ethical values can be based on idealism and relativism. Individuals who are highly relativistic will consider the outcomes of their decisions or actions, not their rightness. So their values, the fundamental truths they accept, include the value of the benefit and avoidance of harm to others.

Table 6.2
Ethical Ideology Taxonomy

<table>
<thead>
<tr>
<th>Idealism</th>
<th>Relativism</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Situationalists; Reject moral rules; advocate individualistic analysis of each act in each situation; relativistic.</td>
</tr>
<tr>
<td>Low</td>
<td>Subjectivists; Appraisals based on personal values and perspectives rather than universal moral principles; relativistic</td>
</tr>
</tbody>
</table>

Source: Forsyth (1980, p. 178)

In terms of the EPQ, individuals belong in one of the following categories:
**Situationists**: individuals high on both relativism and idealism. Situationists reject absolute moral values and undertake an individualist analysis of each situation.

**Subjectivists**: individuals high on relativism and low on idealism. Subjectivists reject universal moral values and base their judgements on personal values and preferences.

**Absolutists**: low on relativism and high on idealism. Absolutists adopt a deontological approach to ethical dilemmas, rejecting consequences and adopting the moral law that has been established through thinking.

**Exceptionists**: individuals low on both relativism and idealism, adopting a teleological approach to ethical dilemmas.

The EPQ is not a typology, because a typology assumes discontinuity, which may not actually exist in ethical ideology, but it does explain some of the individual differences in morality based on idealism and relativism (Forsyth & Nye, 1990). It assumes that a person’s "moral beliefs, attitudes, and values, comprise an integrated conceptual system of personal ethics" (Forsyth & Nye, 1990, p. 399). This system of personal ethics guides moral judgements, solves ethical dilemmas and prescribes behaviour in morally toned situations. Personal moral philosophies influence action only if the moral values are available to guide cognition and behaviour, comment Forsyth and Nye. That is, issues need to be perceived as ethical before moral values are activated.

Moral values may, for example, not be activated if the dilemma is not perceived as an ethical dilemma. The factors that affect the availability and usage of personal moral values in organisations are the focus of this research. The
environmental factors, in the form of the organisational ethical climate as well as the ethical dilemma itself, are examined.

6.2.1 Reliability and Validity of the EPQ

The idealism and relativism factors contained in the EPQ have been described as the factors that most parsimoniously portray an individual's ethical value system (Douglas, Davidson, & Schwartz, 2001). The EPQ has consistently demonstrated acceptable levels of reliability. Its twenty items have been shown to have a two factor solution corresponding to the philosophical dimensions of idealism and relativism (Barnett, et al., 1994; Forsyth, 1980). The EPQ has adequate internal consistency (idealism $\alpha=0.80$, relativism $\alpha=0.73$), moderate test-retest reliabilities (0.67, 0.66) (Forsyth, 1980). In Van Kanhove, Vermeir, and Verniers' (2001) study the reliability of the scale was confirmed as it reported Cronbach's coefficient $\alpha=0.84$ for the idealism scale and 0.77 for the relativism scale. Douglas et al. (2001) report similar results. In that study the Cronbach's alpha for the idealism scale was 0.84 and for the relativism scale 0.81.

The ethical ideologies as measured by the EPQ have also been found to affect ethical judgements and have considerable predictive utility regarding moral values (Forsyth, 1980, 1992a). Forsyth and Nye (1990) tested the effect of ethical ideologies on moral choices and post-transgression reactions in an experimental setting. They discovered partial support for an Interpersonal model of moral choice and reactions. Interpersonal processes impact an individual's cognition, feelings and behaviour in morally 'toned' situations. An
interpersonal model of morality suggests, according to Forsyth and Nye, that moral judgement and behaviour varies in different situations because the interpersonal demands vary. Situational factors moderated the impact of personal moralities on post transgression, and personality and situational factors influenced the moral decision to lie independently.

Barnett et al. (1994) found that students with different ethical ideologies measured by the EPQ, made different judgements about the ethical nature of business actions. Absolutists were found to be the most negative toward illegal business practices and also to be more likely to object to legal but ethically questionable behaviour. They judged actions more harshly than any other individuals, thus confirming the relationship between ethical ideology and ethical judgement in business dilemmas.

Giacalone, Fricker, and Beard (1995) used the EPQ to ascertain whether individual ideology impacts on business ethics decisions. They found that individual ideology as measured by the EPQ, impacts on the factors individuals choose to use to evaluate an ethical decision, as well as the disciplinary severity they advocate. However, the differences found among individuals with different ethical ideologies were less than expected. The researchers suggest that this may be due to the fact that on many decisions, individuals do not behave according to a belief system they hold but for reasons that are unrelated to their philosophy. This finding reemphasises the effect of the context and other factors that may affect ethical decision-making, and supports the interpersonal model of morality (Forsyth & Nye, 1990).
The EPQ is used in this research to assess the ethical ideologies of respondents. The instrument was chosen because of its reliability and the two factor solution which is consistent with the idealism / relativism dimensions (Barnett, Bass, Brown, & Hebert, 1998; Barnett & Vaicys, 2000; Tansey, et al., 1994). More recently, Davis, Andersen, and Curtis (2001) discovered a third factor, that of veracity in the EPQ, but they accept that it remains a useful tool for the assessment of ethical ideologies in business ethics research.

The EPQ is also chosen because it provides an assessment that is comparable to the Ethical Climate Questionnaire in philosophical terms, as it also reflects deontology and teleology. The EPQ's conceptualisation of idealism / relativism is an important explanatory variable of individual ethical decision making (Barnett, et al., 1998). Barnett et al. suggest that the EPQ should be used more in business ethics empirical research. The results of the alpha tests of this research are detailed in Chapter 7 where the quantitative data analysis is reported.

6.3 ETHICAL DILEMMAS

The two instruments in this research that have been outlined thus far test the ethical climate of the organisation as perceived by the respondents and the personal ethical ideology of the respondents. This research also required the development of ethical dilemmas so respondents' ethical judgements in organisational and personal decisions are ascertained and the moral autonomy, heteronomy or anomy of responses explored. This is necessary because the differences, if any, between organisational and personal dilemma judgements
need to be ascertained, in order to clarify the effect, if any, of the organisation on the way an individual resolves organisational ethical dilemmas.

Ethical dilemmas are used extensively in business ethics research and are considered suitable especially for early research efforts (Hunt and Vitell, 1986). They help to standardise the social stimulus across respondents and also make the decision making situation more real (Alexander & Becker, 1978, cited in Singhapakdi & Vitell, 1991b, p. 5). Colby and Kohlberg (1987) used dilemmas to test their theory of moral development. The moral dilemmas were used to "elicit a subject's (1) own construction of moral reasoning, (2) moral frame of reference or assumptions about right and wrong, and (3) the way these beliefs and assumptions are used to make and justify moral decisions" (p. 61).

Business ethical dilemmas may involve two types of conflict (Liedtke, 1989): conflict within the individual's value hierarchy, and conflict between individual values and organisational values. The emphasis in the current research is on conflict between individual and organisational values and the impact of such conflict on the moral autonomy of the individual.

The question that is addressed in this research is whether individuals are more likely to resolve personal ethical dilemmas using their personal values and organisational dilemmas using organisational values. In other words, whether in organisational dilemmas individuals use their personal values, that is exercise moral autonomy or are subject to heteronomy or anomy. It was also hypothesised that as the difficulty and complexity of the organisational dilemmas increased, so would reliance on organisational values to resolve
organisational dilemmas. To test this, it was necessary to construct a number of organisational and personal ethical dilemmas of varying difficulty and complexity, but of high relevance to all potential respondents.

The dilemmas used were designed to obtain normative judgements about what one should do. Colby and Kohlberg (1987, p. 152) propose three ways of getting interviewees to resolve the ethical dilemmas. "(1) Oral interviews (tape-recorded and transcribed); (2) oral interviews with responses written by interviewer; and (3) written interviews". Written interviews were used in the present research to limit potential bias, and also to make it easier for managers to participate due to the more flexible and shorter time required.

A key advantage of using researcher-created dilemmas is that respondents are less likely to suspect they are being monitored for ethical misbehaviour. In addition, the same set of dilemmas can be used in the three organisations, enabling comparisons between them. A number of researchers have used dilemmas for similar reasons. Wimbush et al. (1997b) used dilemmas that did not pertain directly to the industry they researched, and considered this crucial for getting a higher response rate because employees would not suspect that the instrument was used for the identification of actual or potential unethical conduct.

Dilemmas, the most commonly used technique of investigating decision making in business ethics, also have disadvantages (Marshall & Dewe, 1997). One disadvantage of using ethical dilemmas is that it is generally assumed that the situation outlined is an ethical problem for the respondent, and all respondents
perceive the context of the dilemma as the same. The relevance of the dilemmas to the respondents is important for accurate assessment of respondents' moral values, as "people are not good at predicting what they will do in circumstances they have not yet encountered" (Fowler, 1995, p. 80). Ensuring that the dilemmas used are relevant to the respondents is thus very important and will be addressed in the Selection of Ethical Dilemmas section.

Another disadvantage of using dilemmas is based on the approach used for the respondents to address them. When the presentation of a dilemma is followed by a series of questions that require yes/no answers, or provide scales, the questions prompt reflection on the researcher's reality (Marshall & Dewe, 1997). The questions following the ethical cases to ascertain the moral judgements and reasoning of respondents need careful construction. In business ethics research efforts, open and closed questions, and Likert type scales to assess the reasoning and behaviour of respondents are used. Hoffman (1998) used ethical dilemmas in a study of ethical differences between men and women. He followed each dilemma with two questions where respondents expressed their preferred action on a 10-point scale marked 'definitely would' – 'definitely would not'. One of the questions asked respondents to assume the role of the president of the organisation and the other the role of an employee of the organisation in an effort to ascertain respondents' emphasis on the organisation's profit vs individual well being. Fritzschke (1995) used dilemmas to examine the relationship between personal values and the ethical decisions of managers, asking respondents what they would do in each situation. Respondents had to indicate on an eleven point scale (0 - definitely would not, 10 - definitely would) the possibility that they
would choose a number of predetermined solutions. This approach makes comparisons across responses easier, but it is problematic in that it imposes the researcher's reality and does not enable the respondent to freely determine action (Marshall & Dewe, 1997; Randell & Gibson, 1990).

In this research predetermined responses were not provided to avoid the imposition of the researcher's reality. Instead, two open-ended questions were asked for each dilemma:

1) What should X do?
2) Why?

The first question ascertains the judgment of the respondent while the second provides the justification for the moral judgement by providing the beliefs and values the judgement is based on. The first question also addresses the issue of the personalisation of the dilemma, which examines whether respondents should be asked to resolve the dilemma based on what they would do in the situation, or suggest what the person facing the dilemma should do. Different researchers use different approaches to address this issue. Kavathatzopoulos (1993) for example asked respondents to imagine themselves as the main person in a dilemma and attempt to solve the moral problem. This was done because "the interiorization or internalization of instructions by the subjects is supposed to take place in condition of relevance to real life and for problems that concern them" (Kavathatzopoulos, 1993, p. 384). Wimbush et al. (1997b) also required subjects to assume the role of the decision-maker and indicate how they would behave in the situation outlined. It has been found however that when people in ethics research are only asked to respond as themselves they overestimate their ethical behaviour in relation to their peers, thus limiting
the generalisability of the findings (Cohan, Pant, & Sharp, 1993; Ford & Richardson, 1994).

To avoid any social desirability bias or halo effect in this research, respondents were asked to provide a response as to what the person facing the dilemma should do and not what they would do. The present approach is similar to Weber's (1991), using hypothetical dilemmas about conflicts that occur regularly in organisations. Weber asked respondents to provide a response to what the protagonist should do and not what the respondent would do in such a case.

In this research, respondents were asked to respond to several stories (see Appendix A). They were told that there is no right or wrong solution, and the primary interest was in the explanations or reasons given for their decisions. It was emphasised, both orally (where that was possible) and in the written instructions given to respondents, that their reasoning was of paramount importance. They were told that X should do Y is of no value unless accompanied by an explanation of why that is thought necessary, is provided. Weber (1991) also used this procedure.

The questions that follow each dilemma in this research ascertain beliefs, values and judgements (Weber & Gillespie, 1998). While beliefs and values may not necessarily indicate behaviour, they allow for an examination and comparison of organisational and personal values in use to be made. This finding provides understanding of the bases of the organisational and personal
morality of individuals and permits identification of autonomy, heteronomy and anomy.

As discussed earlier, in this research no scales or predetermined responses were offered, so that the respondents' reality and not the researchers' reality is examined. To ensure that the dilemmas are relevant they were tested on 54 postgraduate business students. It was also important to present organisational and personal dilemmas that are of comparable difficulty and complexity. The following section outlines the ethical dilemma selection process that addresses their relevance, difficulty and complexity.

### 6.3.1 Selection of Ethical Dilemmas

In this research, it was necessary to address the relevance of the ethical dilemmas to the respondents as well as address the issue of determining the perceived complexity and difficulty of the ethical dilemmas. To achieve this, 12 dilemmas were selected from a larger set of 50 dilemmas, 25 covering organisational and 25 personal dilemmas.

The 25 organisational ethical dilemmas were constructed from issues raised in recent business research or used in previous business ethics research. Waters and Bird (1989) developed a four-part typology of morally questionable managerial acts based on managerial roles. The four types of morally questionable managerial acts are: non-role, role-failure, role distortion and role assertion. Non-role and role failure acts are acts against the organisation such as overstating one's expense account and conducting a superficial
performance appraisal, respectively. These ethically questionable acts are likely to benefit the individual performing the act. Role distortion and role assertion acts include acts that benefit the organisation. Examples of role distortion acts are bribery and price fixing and an example of role assertion acts is not withdrawing a product that has inadequate safety. Role distortion acts are within the role mandate of an individual but that role mandate is distorted, by the individual's effort to achieve the role mandate. For example, in an effort to achieve the sales quota, a salesperson may choose to offer differential prices to customers. Role assertion acts are made when there is a relative absence of mandate. They usually refer to cases that are not encountered frequently and there is little guidance from the law, past experience or organisational regulations. The emphasis on accounting and control procedures, as well as codes of conduct in organisations, is primarily dealing with non-role type acts (Waters & Bird, 1989) because the objective is to protect the organisation from its employees.

The organisational ethical dilemmas in this research are concerned with role distortion and role assertion acts. Role distortion and role assertion type dilemmas were chosen because the organisation's influence on the individual is examined. These acts allow the examination of how individuals will decide to resolve a dilemma in and on behalf of the organisation and not whether they may use their organisational membership to benefit themselves or harm the organisation.

The 25 personal ethical dilemmas are constructed or adapted from general research on moral philosophy and ethics. They deal with family and
interpersonal moral issues that require respondents to use their personal moral values in order to resolve the dilemmas. They also deal with cases where there is no direct benefit to the person facing the dilemma.

The 50 dilemmas were initially assessed by two members of the School of Management in the Faculty of Business and eight Ph.D. candidates in Business, to ascertain their relevance, clarity and face validity. The similarity between personal and organisational dilemmas in regard to the moral issues they raise was always sought. Of the initial 50 dilemmas, 40 were chosen after this initial phase of assessment, (20 private life and 20 organisational life dilemmas) that were found to fulfill the relevance, clarity and face validity requirements. These 40 dilemmas were then presented to 54 MBA students to ascertain their relevance, difficulty and complexity. The students were asked to evaluate the relevance of the dilemmas to their life.

The MBA students were chosen for the assessment of the dilemmas because they lived and worked in the same geographic environment as the potential respondents. As such, the dilemmas they would find relevant would be more likely to be relevant to the respondents. Also the majority (80.4%) were currently employed and of those employed, 72.3% were in supervisory/managerial positions. The average age of the respondents was 32.5 years. These characteristics of the MBA students made them comparable to the potential respondents.

The rating of the dilemmas took place in the classroom and took forty-five minutes. The dilemmas were grouped in organisational and personal
categories. The students were told to read each dilemma and rate it in terms of complexity, difficulty and relevance and write their responses on an answering sheet. Unnumbered graphic scales were used for the relevance, complexity and difficulty ratings of the dilemmas. The unnumbered graphic scales are an alternative to the traditional Likert type scales and they employ a horizontal line drawn between bipolar responses (Daniel, Elliott-Howard, & DuFrane, 1997).

In this research the bipolar responses were simple-complex, irrelevant-relevant and easy-difficult. Respondents were asked to respond by placing a vertical line on the horizontal continuum, at the point that most accurately reflects their opinion. Placing a transparent overlay on the graphic scale, divided the horizontal line into 7 centimetres, and allowed the scoring of the scales. The reading of the responses was recorded in millimetres.

The following terms were clarified to students:

1. Complexity refers to:

The number of issues involved, and you think must be considered in deciding how to resolve this case. A simple dilemma will involve a few issues. A complex dilemma will involve many issues.

2. Relevance refers to:

How relevant do you think the dilemma is to you? Do you think that it is something that you have or might experience? An irrelevant dilemma will not be considered relevant to you. A relevant dilemma will be relevant to you.

3. Degree of difficulty refers to:

How difficult do you think the dilemma is, in regards to its resolution? An easy dilemma will be resolved easily. A difficult dilemma will be difficult to resolve.
Note: A dilemma may be complex, i.e., involve many issues, that you think must be considered but you may not consider it difficult, or it may be simple, but you may consider it difficult.

6.3.2 First Phase Ratings of Ethical Dilemmas

Based on the relevance ratings, a total of nine organisational and nine personal dilemmas were chosen at the completion of this phase of the research. Table 6.3 contains the relevance, complexity and difficulty ratings of the 20 organisational dilemmas.

Using 3.5 as the mid point of the 7 mm scale, the organisational dilemmas 9, 11, 15, 17, 13, 7, 3, 5, and 10 were rated as relevant. Of the relevant dilemmas, 010, 011, and 017 were of low complexity and difficulty. The dilemmas 09, 013, and 015 were of medium complexity and difficulty. The dilemmas 03, 05, and 07 were high complexity and difficulty.

The same process was followed for the personal dilemmas (see Table 6.4).

Dilemmas 12, 18, 3, 6, 10, 19, 2, 1 and 4 were rated as relevant. Dilemmas P1, P6 and P18 were of high relevance but low complexity and difficulty. Dilemmas P10, P12 and P19 were of high relevance but medium complexity and difficulty. Dilemmas P2, P3 and P4 were of high relevance and high complexity and difficulty.
Table 6.3
Relevance, Complexity and Difficulty Ratings of Organisational Dilemmas

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One-way ANOVA was performed to test whether the difference between the low and high rated groups of ethical dilemmas was statistically significant, using the 54 responses. A Scheffe’s test revealed that the personal dilemmas P1, P3, and P18 are different to dilemmas P2, P3, and P4 in complexity and difficulty. The dilemmas O10, O11, and O17 are different to dilemmas O3, O5 and O7 in complexity but only different to O5 in difficulty.

To confirm these findings and clarify the difficulty of the organisational dilemmas further ratings were undertaken.

6.3.3 Second Phase Ratings of Ethical Dilemmas

To test whether the nine organisational and personal dilemmas found to be relevant by the 54 MBA students will be rated similarly by others, they were presented to another group of students. To increase the external validity of the dilemmas used in this research, the 18 dilemmas were presented to 15 MBA students who did not participate in the first phase of the study. It was also envisaged that the difficulty issue of the organisational dilemmas can this way be clarified.

This group received the same instructions, but instead of the forty dilemmas they only rated the 18 dilemmas that were rated as relevant in phase one.

The results of this second phase are reported in Tables 6.5 and 6.6.
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Table 6.6
Second Phase: Ratings of Personal Dilemmas

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<th>Dilemma</th>
<th>N</th>
<th>Mean</th>
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<th>Mean</th>
<th>Std. Deviation</th>
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<th>Mean</th>
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</tr>
</tbody>
</table>
The organisational dilemmas O3, O5, and O7 were the only ones that were rated consistently in this phase as in phase one (see Table 6.5). They were again rated as being the most complex and difficult. The dilemma O9 was rated the lowest on both complexity and difficulty. This dilemma in the previous phase was rated as medium in terms of difficulty and complexity. The dilemmas O10, O11, and O17 were of low complexity and low to medium difficulty. The dilemmas O13 and O15 were medium complexity and low to medium difficulty.

The personal dilemmas P1, P6, and P18 were again rated low in complexity and difficulty (see Table 6.6). The dilemmas P10, P12, and P19 were of medium complexity and difficulty. The dilemmas P2, P3, and P4, were found to be of high complexity and difficulty. This is the same as in the first phase of rating the dilemmas, thus confirming the complexity and difficulty ratings of the personal dilemmas.

An informal discussion following the second rating session revealed that respondents consider difficult dilemmas those that affect other people, especially people that respondents feel emotionally attached towards. They also stated that organisations provide codes and policies that guide decisions, making organisational decisions easier than those in private life. This indicates that these respondents were more likely to use organisational values, regulations or guidelines to resolve organisational type issues and not their personal values, thus articulating the amoralisation or separation thesis.
When prompted to think of a difficult organisational dilemma this was suggested:

- You are told you have to sack a number of employees because of downsizing and you personally do not want to do it, but you do because you have to follow the organisation's line.

The reliance on organisational rules and policies and the distance between organisational decisions and the individual or the fulfilment of the role, provide a possible explanation for the reason the organisational dilemmas were perceived as more simple and easy than the personal dilemmas.

When asked to provide examples of most difficult personal dilemmas, the following were suggested:

- Your spouse hits someone with the car on the way home and does not stop to help, should you call the police and turn your spouse in?

- A friend's boyfriend is kissing another girl at a party and you know your friend and her boyfriend are organising their wedding. Should you tell your friend?

Most members of this group agreed that these are indeed difficult dilemmas to resolve. A dilemma similar to the second one mentioned was in the original set of 20 personal dilemmas, but was not rated as highly relevant to be chosen by the initial 54 MBA students, and was thus not included in this set. So even though it was considered more difficult by members of this group, it would not have been relevant to most respondents, thus it would have been unable to accurately assess values and judgements.
The organisational dilemmas O10, O11, O17 were chosen to be used in the research because they were rated as simple and easy in the first phase of ratings. Dilemmas O10 and O17 were also rated as low in the second phase in both complexity and difficulty. Dilemma O11 was chosen because it was rated as simple and easy in phase one and as simple and of moderate difficulty in phase two. The organisational dilemmas O3, O5 and O7 were chosen as the complex and difficult dilemmas to be used in the research. The personal dilemmas P1, P6, P18, and P2, P3, P4 were chosen to be used for the research in the three organisations because they were rated consistently as simple and easy and complex and difficult respectively, in both phases of the research.

This rating was considered very important to ensure that the dilemmas were of relevance to the respondents. Unless respondents are given dilemmas they consider relevant, they will not be able to forecast what should happen and why. It is also important to ensure that both organisational and personal dilemmas were of different degrees of difficulty and complexity so comparisons and distinction can be drawn.

6.4 SAMPLING AND DATA COLLECTION

6.4.1 Organisations’ Willingness to Participate in Ethics Research

Gaining access to organisations to collect data for this research was a difficult task. This is not a unique discovery, as it has often been reported that access to and support from organisations to conduct values and ethical research, is problematic. Victor and Cullen (1988), for example, consider that managers
have a high degree of sensitivity to any study examining an organisation's ethics. Other researchers' difficulties in gaining access to conduct ethics research in organisations include Jackall (1968) who succeeded only when he made a number of personal contacts and built relationships in organisations and could use those contacts to circumnavigate the formal gatekeepers. Snell (1996) also used existing personal relationships of trust, drawing on personal contacts, networks and referrals to do his field research, which included ten interviews. Liedtka (1988) in part of her research describes the same experience where she relied on personal contacts to find nine managers in an organisation, where she had no top management support. These tactics improve the success rate but they increase the possibility of bias in the sample, by reducing its randomness.

This research required access to at least 30 managers or supervisors in three organisations. Originally, three organisations were contacted and meetings held to explain the research. One organisation declined immediately and suggested time pressure as the reason. The second organisation expressed its unwillingness to participate 4 months after the original contact. The third (Organisation Alpha) explained that it would not be available for such research as it was presently experiencing difficulties with its ethics and some of its members were investigated for ethical misconduct. As a result the potential participants would feel that management is monitoring them. Two further organisations were then approached, but both declined after discovering the emphasis and nature of the research. In all organisations, personal contacts were used to provide access to human resource and top-level managers. A third private organisation was then approached, and agreed to distribute the
research instrument internally but the researcher was not allowed to contact directly any of its employees. Fifty questionnaires were distributed in this organisation but only six were returned, thus making these responses unusable.

Subsequently, another contact in Organisation Alpha was found in a different department and agreed to distribute the research instrument, and assured that the top management of the department will support the project. In this department the ethical misbehaviour issues, sighted earlier, did not exist. Again the researcher was excluded from any contact with the respondents. 45 questionnaires were distributed and 32 questionnaires were returned. Three were not fully completed and were unusable. Management of the same organisation also participated in a seminar and 10 were sent a letter explaining the research and the questionnaire. Three questionnaires were completed and returned. A delay of three weeks occurred between distribution and return of the last three questionnaires. Overall, 55 questionnaires were distributed and sent, a total of 35 were returned, and of those 32 were usable.

The organisation that suggested the possibility of participation at a later stage was contacted after four months and agreed to participate. It also disallowed the researcher from any contact with potential respondents. A total of forty questionnaires were distributed internally to members of the organisation in a managerial/supervisory capacity, and again only six were returned completed, making these responses unusable.
Organisation Beta agreed to participate and provide top management support. Three meetings with potential respondents were organised, so questionnaires could be filled and the researcher could be present and able to provide a brief explanation of the project as well as its implications and value. In the three meetings 23 questionnaires were completed. A list of 17 additional potential respondents was provided and the questionnaire was mailed to them, followed by a telephone call. A total of 8 were returned in this second phase. Overall, 40 questionnaires were distributed and 31 were returned.

In Organisation Gamma permission to conduct the research was sought and granted. 43 questionnaires were distributed to potential respondents. A total of 30 were returned completed. In organisation Gamma, the questionnaires were distributed using the internal mail, and envelopes were provided to respondents to mail the completed questionnaires back to the researcher. Two e-mail messages were also sent to all potential respondents to remind them about filling in the questionnaire.

6.4.2 Organisation Types

The survey was conducted in three organisations, approximating Ouchi's (1980) ideal transaction costs types: bureaucracy, clan and market. Because of the difficulty in gaining access to appropriate organisations to undertake this research and to limit response bias, the organisations were guaranteed anonymity and are referred to here only as Alpha, Beta and Gamma.
Ouchi's organisational types were used because they have been inferred to affect the development of the ethical climate. This relationship between organisational form and ethical climate has been supported empirically (Wimbush, et al., 1997a). Victor and Cullen (1988) use Jones' (1983) explanation to address the relationship between organisational climate and form. They explain that organisations where the exchanges between individuals and groups are easy to monitor, as is the case in Ouchi's (1980) market organisations, instrumental behaviours are more likely to result. When transactions are more difficult to monitor, as is the case in bureaucracies then the emphasis is placed on rules and regulations. Finally when exchanges are the most difficult to monitor, as is the case with highly specialised professional organisations, then the emphasis is placed on shared norms and values and a caring and individual ethical climate is likely to dominate the organisational culture.

Organisation Alpha, a department in a regulatory public organisation, is considered the most bureaucratic of the three examined. The ethical climate of a bureaucracy is expected to be predominantly Law and Code, and Rules (refer to Table 6.1). Organisation Beta is a not for profit service provision organisation that provides health and related services and is considered a clan and the most democratic of the organisations examined. Its climate is expected to be primarily Caring and Independence. Organisation Gamma is a division in a tertiary educational institution and is considered a market organisation, thus expected to have a predominantly Instrumental climate. All organisations have a code of conduct. In organisation Alpha however there is more emphasis on compliance with the code than in Beta and Gamma. These organisational
types were established from secondary data, information available publicly about the three organisations, and from meetings with staff.

6.4.3 Sample

The individuals were from the same hierarchical level (middle management) or, if that was not feasible, from consecutive levels. Sections or departments of the organisations with similar characteristics were used to recruit the subjects, thus limiting intra-organisational variance. The individuals were required to have at least one year's experience in the organisation, and be in a middle or lower management position with project or personnel supervisory experience, similarly to the criteria used by Elm and Nichols-Lippitt (1993).

6.4.4 Data Collection

The questionnaires in organisation Alpha were distributed and collected internally ensuring the anonymity of the respondents. In Section 6.4.1 it was explained that the researcher was not given access to the respondents of this organisation. She was assured however, that respondents would return the completed questionnaire anonymously. In organisation Beta 80% of the questionnaires were completed in three group meetings and the rest were distributed and collected by mail. Self-addressed envelopes were provided to respondents with each questionnaire, to facilitate the anonymity of response. In organisation Gamma the questionnaires were distributed and collected via the organisation's internal mail. In organisation Gamma, self-addressed envelopes were also provided. The different methodologies were imposed by the organisations' management and work patters, resulting in the researcher
having high control of the sample selection in organisation Beta but not in Alpha and Gamma.

In organisation Alpha, 32 useable questionnaires were collected (64%), 31 from organisation Beta (77.5%), and 30 from organisation Gamma (69.8%).

6.5 RESEARCH INSTRUMENT

The questionnaire (Appendix A) contained four sections. The Ethical Climate Questionnaire (ECQ) was presented first, followed by the organisational and personal ethical dilemmas and the Ethics Position Questionnaire (EPQ), followed by demographic questions. This order minimises social desirability responses because the more personal information is presented last. All instruments in this research involve ethical overtones and choices, but the personal value instrument is the most intimate and thus presented last. Elm and Nichols-Lippitt (1993) presented the Self-Monitoring Scale, which contains no ethical undertones, first followed by the ECQ which addresses ethical issues but not of a personal level, followed by the Defining Issues Test which is a personal instrument with a focus on moral choices. They felt this order overcame any framing bias.

The ECQ and the EPQ required responses on a 7 point Likert scale (1 = Completely Disagree to 7 = Completely Agree). For the twelve ethical dilemmas, subjects were required to respond to two open ended questions, as described earlier, on what the person in the dilemma should do, and why.
The instrument presented to respondents also included the anomy scale developed by Bachman, Kahn, Davidson, and Velasquez (1967 cited in Zahra, 1989). The eight-item anomy scale used by Zahra (1989), referred to organisational estrangement. Questions 2, 3, 8, 25, 27, 28, 30, and 33 of the questionnaire composed the anomy scale. The scale was also converted to reflect general estrangement, by translating the questions to reflect general life hopelessness. Questions 37, 39, 44, 48, 52, 55, 57 and 61 composed the general life anomy scale. As it was explained in the beginning of this chapter, these two anomy scales apart from increasing the complexity of analysis do not offer any additional insight, and are therefore not addressed further in this thesis.

Following the ECQ, the organisational dilemmas were presented and then the personal dilemmas. In order of appearance in the questionnaire (see Appendix A) the first, third and fifth organisational dilemmas were the difficult and complex ones and the second, forth and sixth the easy and simple ones. The difficult and complex personal dilemmas were the second, third and fifth.

The final section of the questionnaire used open and closed-ended questions to collect demographic data. Upchurch (1998) used the ECQ and the following demographic variables: total years of management experience, educational attainment level, and position classification, while Wimbush et al. (1997b) used gender, age, education and tenure. In the current research two questions about religion were included similar to Small (1992). Overall the demographic questions used can be classified into general data about age, gender, education, religion, marital status and children, and employment specific data.
about occupation, supervision, years of employment, and years of employment in the current organisation. This information was sought to explore any associations between ethical ideologies, climates and dilemma resolutions.

6.6 DATA ANALYSIS

The results of the ECQ and EPQ were analysed using the Statistical Package for the Social Sciences (SPSS) version 10. The qualitative analysis program Nvivo, version 1.2 was used to analyse the responses to the dilemmas. The resolutions and rationale for the dilemmas were also coded quantitatively.

The responses to the dilemmas were coded in terms of both the ethical climate dimensions and relativism/idealism. This was necessary so that the comparison between organisational climate and resolution to organisational and personal dilemmas can be made. Also the personal ethical ideology and resolution to personal and organisational dilemmas would be possible. To achieve inter-rater reliability and overcome researcher bias (Pope, Ziebland, & Mays, 2000), all the responses were also rated by the assistant supervisor of this project. Differences in ratings were discussed and resolved to agreed scores.

6.6.1 Analysis of ECQ and EPQ

The ECQ contains 26 statements. These statements describe the five ethical climate types empirically derived by Victor and Cullen (1988) using factor analysis. The EPQ contains the twenty statement idealism and relativism factors.
The instructions clarified that respondents should address the ECQ based on how things are in their organisation, not how they wished things were. Victor and Cullen (1988) suggested this clarification in order to ascertain perceptions of the actual organisational climate. The instructions also emphasised that responses will remain strictly anonymous.

The theoretical bases of the ECQ contain nine ethical climate dimensions. These nine ethical dimensions address the egoism, benevolence and principled philosophical orientations, at the individual, local and cosmopolitan levels. Based on these dimensions, Victor and Cullen (1988) empirically derived the Caring, Law & Code, Rules, Instrumental and Independence ethical climates. Table 6.7 contains Victor and Cullen's empirically derived ethical climate dimensions, and the corresponding theoretical ethical climate types.

The Egoism Cosmopolitan ethical climate is the only theoretical dimension that was split between two climates, the Caring climate and the Instrumental climate. Looking at the statements that loaded to the two factors, the statement 'The major responsibility in this organisation is to control costs' loaded in the Instrumental factor, whilst the Egoism statements that referred to overall efficiency loaded to the Caring factor. This can be explained in terms of the perceived emphasis of the Egoism Cosmopolitan statements.
The control of costs is perceived in terms of benefit to the organisation, while the overall efficiency statements are perceived in caring for all resources and customers. The theoretical as well as the empirical dimensions of climates were used for the analysis of the organisational ethical climates in this research. The theoretical dimensions were used because they provide more information about the level of emphasis that is not explicitly evident in the empirically derived Caring and Instrumental climates. This information is important in analysing the ethical dilemma resolutions and will be used in the presentation of the relationship between the ethical climates and ideologies and ethical dilemma resolutions that is presented in Chapter 7.
Table 6.6 contains the questions as presented in the research instrument that represent the ethical climate and ethical ideology dimensions.

<table>
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<tr>
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<td>9, 11, 23, 29,</td>
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<td>Rules</td>
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<tr>
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<tr>
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<tr>
<td>Relativism</td>
<td>36, 41, 42, 45, 46, 49, 50, 51, 58, 59,</td>
</tr>
</tbody>
</table>

Note: As explained previously, 16 questions that address anomia have been excluded from analysis.

To analyse the differences in ECO perceptions and EPQ between the three organisations, a One-Way Analysis of Variance (ANOVA) was undertaken. The ANOVA allows the means of more than two groups to be compared, and it will identify whether the means are significantly different from each other. If statistically significant differences are found however, it does not indicate where the differences lie (Sekaran, 1984). A Scheffe’s test, was used to detect where the differences between the means of the groups lie (Sekaran, 1984). The Scheffe’s test was chosen for the post hoc comparisons, because it has been found to be the most versatile since it is applicable to unequal sample sizes (Pedhazur & Pedhazur-Schmeikin, 1991). It is also the most conservative, since it is less likely than other approaches to indicate statistically significant differences between comparisons.
6.6.2 Analysis of Ethical Dilemmas

This research uses words and numbers, to use the most simple distinction between qualitative and quantitative research (Miles & Huberman, 1984). Despite the different theoretical and epistemological foundations of quantitative and qualitative research, Bryman (1992) argues that they can indeed be reconciled and integrated. In this research ethical dilemmas or cases or vignettes, were used to provide both words and numbers. The use of ethical cases, is a general phenomenon in business ethics research.

The use of dilemmas enables the elucidation of the respondents' perspectives, and provides a contextual detail that is not achievable with quantitative methods (Bryman, 1983). In this endeavour dilemmas were used to enable the respondents to provide their ethical judgements and reasoning without the imposition of the researcher's perspective. This was achievable by asking respondents open-ended questions and not providing predetermined resolutions or justifications.

In this research six organisational and six personal dilemmas were used. Both sets contain three dilemmas of low complexity and difficulty and three of high complexity and difficulty. The six organisational dilemmas were presented first, followed by the personal dilemmas. The organisational dilemmas 10, 11, and 17 were the easy and simple chosen and 3, 5, and 7 the difficult and complex. The order of inclusion in the questionnaire was 3, 11, 5, 17, 7, and 10. In the analysis in Chapter 7, these are referred to as first, second, third, fourth, fifth and sixth respectively. The personal dilemmas 1, 6, and 18 were the easy and
simple dilemmas used and 2, 3 and 4 the difficult and complex. The order of inclusion in the questionnaire was 1, 2, 3, 6, 4, and 18. In the analysis in Chapter 7, these are referred to as first, second, third, fourth, fifth and sixth respectively.

The two questions that followed each dilemma were: (a) What should the person facing the dilemma do?, and (b) Why? Respondents were told that what is of paramount importance for this research is the reasons or explanations for their decisions, ie answering the ‘why’ question. The actual instructions provided said:

You will find several stories in the following pages. Different people will offer different solutions. There are no right and wrong solutions. We are primarily interested in the explanations or reasons you give for your decisions. Try to justify and explain your statements as fully as possible. Be sure you elaborate fully. Please do not compare answers to prior cases. We remind you again that answering the WHY question is of great importance. Telling us what should be done is of no help to us unless you tell us WHY you think it should be done.

This was necessary because unless respondents explained their justification for their chosen resolutions to dilemmas, the values in use could not be accessed and compared to the organisational and personal values that were ascertained using the ECQ and EPG.
6.6.3 Coding of Ethical Dilemmas

The ethical dilemmas are used in this research to enable the identification of the reasoning people use to resolve organisational and personal type dilemmas. In Chapter 5, the research model was developed and the research question presented. It was clarified that due to the influence most organisations exert on the individual, the individual is more likely in the organisational context to make decisions that are not morally autonomous. In order to answer the question of whether organisations affect the moral autonomy of their members, the ethical climates of the three organisations and the ethical ideologies of the respondents from the three organisations were assessed and the findings are presented in Chapter 7.

The answers to the two open-ended dilemma questions were transcribed. Each answer was separated in terms of the two questions asked. This enables the distinction between the resolution and justification of the resolution for each dilemma. The responses to the dilemmas were analysed qualitatively and classified quantitatively.

In order to make the reasoning used to resolve the dilemmas comparable to the ethical climate and ethical ideologies, each dilemma response was coded in accordance with both instruments. Firstly each response was coded in terms of the Victor and Cullen's (1987) theoretical ethical climate dimensions of egoism, benevolence and principle at the individual, local and cosmopolitan levels. The difficulty of coding responses to open ended questions has been recognised.
but it is accepted as superior to close ended research especially in business ethics research (Randall & Gibson, 1990). The approach adopted in this research is not dissimilar to the Multidimensional Ethics Scale, developed by Cohen et al. (1993) and Reidenbach and Robin (1990) and Reidenbach, Robin, and Dawson (1991), in that responses are coded based on the philosophical theories. The main difference between the Multidimensional Ethics Scale and this approach is that respondents here were not asked to rate the dilemma in terms of the different philosophical perspectives. The researcher did this. This was necessary because the aim was to ascertain the reasoning for the response, not the understanding of the philosophies nor the agreement with the predetermined categories by the respondent.

The coding was performed by identifying the ethical reasoning and the level of emphasis in terms of individual, local and cosmopolitan. If only one type of reasoning was used the resolution was given the value of seven for that ethical climate dimension. If more than one ethical philosophy was used, then depending on the emphasis of the response, the value of seven was divided amongst the different philosophical orientations and levels. This was done so that the range of justifications used can be accounted and weighted based on the emphasis given by the respondent.

The coding process of all dilemmas was repeated by coding the responses in terms of the EPQ (Forsyth, 1980) dimensions of idealism and relativism. Each response was assessed in terms of its idealistic or relativistic orientation and a rating out of seven was given on both.
The ethical climate dimensions and ethical ideology coding of all dilemmas was performed by the researcher and also by the assistant supervisor to achieve inter-rater reliability. The two raters were the most appropriate because they understood the philosophical distinctions as they are represented in both the ECO and EPQ. The coding process was communicated and clarified between the two raters so a common understanding of the procedure was achieved.

The agreement of the two raters is very important for this research, because the analysis of the effect of the organisational ethical climate and personal ethical ideologies is undertaken based on these codes. It was thus necessary that the two raters agree not only on the climate dimension or ethical ideology but also on the intensity rating of each. It was for this reason that it was decided that total agreement was necessary for all codes and intensities. To achieve this the rating process was performed in three rounds. In the first round, agreement ranged from 77% to 86%. The major disagreement in the first phase was in the intensity rather than the philosophical dimension. In the second phase the dilemmas where disagreement was identified were rated again, and written justification provided for the code. This enabled cross-rater analysis of bias and interpretation. After this phase, and the communication process that clarified the code, the disagreement was limited to less than 1% of the cases. Both raters again reviewed these cases until total agreement was achieved. The recommended level of interrater reliability is 0.90 (Colby & Kohlberg, 1987) and it has been exceeded in this study.

The quantification of qualitative data appears incongruent according to Bryman (1992) with qualitative research because predominantly qualitative data is used
for a predominantly quantitative method. However, he suggests that despite the incongruency such an approach is valuable because it provides additional data that can assist in the understanding of the phenomena. The data that became available by using this approach could not have been obtained by using only quantitative methods.

6.7 SUMMARY

The research propositions require the assessment of the organisational ethical values, the personal ethical values and the resolution of organisational and personal ethical dilemmas. The organisational ethical climate is assessed using the EGO developed by Victor and Cullen (1987). The personal ethical values are assessed using Forsyth's (1980) EPQ. MBA students chose the six organisational and six personal ethical dilemmas after two phases of assessment, in order to ensure they are relevant to potential respondents and of predictable difficulty and complexity, and to minimise researcher bias.

In order to ascertain the reasoning individuals use to resolve organisational and ethical dilemmas, the analysis of the EGO and EPQ is necessary. This will enable the identification of the organisational and personal values that affect the proposed resolution. The justification for the proposed resolution is coded in terms of both EGO and EPQ values and analysed to ascertain the ethical values individuals use to resolve both types of dilemmas.

The three organisations chosen and willing to participate in this research project are organisations Alpha, Beta and Gamma. They approximate Ouchi's (1980) bureaucratic, clan and market type forms respectively.
The quantitative analyses of the ECQ and EPQ are presented in Chapter 7. Chapter 8 contains the quantitative classification and qualitative analysis of the organisational and personal dilemmas.
CHAPTER SEVEN
ANALYSIS OF ETHICAL CLIMATE AND IDEOLOGY

This chapter presents the quantitative analysis of the ECQ and EPQ instruments. The analysis of the ECQ aims to establish if there are differences in the ethical climates between the three organisations, and if these differences are supportive of the assumption made that the organisations represent the bureaucratic, clan and market types of organisations made by Ouchi (1980). The analysis of the EPQ evaluates the personal ethical values of respondents. The differences if any will be used to explain possible differences in the resolutions and justifications to organisational and personal ethical dilemmas. The quantitative classification and qualitative analysis of the organisational and personal ethical dilemmas are presented in Chapter 8. The qualitative analysis contains the analysis of the resolution and justification of the organisational and personal ethical dilemmas provided by the respondents.

7.1 DESCRIPTIVE STATISTICS

Before proceeding to the analysis of the ECQ and EPQ, basic descriptive statistics were derived and are grouped by organisation. Table 7.1 contains general characteristics such as age, gender, education etc. Table 7.2 presents the employment related characteristics of respondents, such as job title, supervision, years in employment etc.

In terms of gender, organisation Alpha had the highest percentage of males (87.5%), and organisation Beta the lowest (35.5%). Organisation Gamma's male respondents represented 70% of total respondents. These proportions are representative of the general managerial composition of the three
organisations. It must be noted that in Organisation Beta the proportion of female first line employees is greater than the proportion of females in the managerial and supervisory level. Organisation Alpha is in its majority male in all ranks and levels. Organisation Gamma has a majority of males and that is reflected in the sample. Gender is of great importance in this research because it will be used to perform an analysis of the ideologies of females and males.

The age of the respondents varied in the three organisations. Initially there were five age group categories but they were reduced to 4 because the category of up to 25 years old only contained two respondents from organisation Alpha, one from organisation Beta and none from organisation Gamma. In terms of the age of the respondents, the most mature organisation was Beta with 67.8% of respondents over the age of 45, and the youngest was Organisation Alpha with 75.1% of respondents younger than 45 years old. The age of the respondents is used to perform an analysis of ethical ideologies.

As expected, 83.33% of the respondents of organisation Gamma, a tertiary institution, have postgraduate education. Organisation Alpha had the greatest number of respondents with a maximum of secondary education. The educational level of respondents is used to perform an analysis and ascertain possible relationships between education level and ethical ideologies. Religion and its practice, is also an important characteristic and is used to undertake an analysis of the sample in terms of ethical ideology.

Table 7.2 outlines the employment-related characteristics of the three groups of respondents.
Table 7.1
Respondents' Personal Characteristics by Organisation

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<th>α'*</th>
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* n of organisation's sample
** percent of organisation's sample

208
Table 7.2
Respondents’ Employment Characteristics by Organisation

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<th>Characteristic</th>
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<th>Total n</th>
<th>( \alpha^{**} ) %</th>
<th>Total n</th>
<th>( \beta ) %</th>
<th>Total n</th>
<th>( \gamma ) %</th>
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* n of organisation’s sample
** percent of organisation’s sample

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The length of employment in the current organisation was grouped in five-year increments. This information highlights some interesting distinctions between the three organisations. Organisation Alpha, the public organisation, has the lowest number in real and percentage terms of people who have been employed in the organisation for less than five years. Organisation Alpha has a general policy of promotion and advancement based on rank and seniority, with little or no external recruitment at the managerial or supervisory levels. As a result, the majority of people in supervisory/managerial positions have been in the organisation for over five years. The department where this research was undertaken is considered unique, as it requires individuals with specific expertise. This requirement accounts for the seven individuals who have been in the organisation for five years or less.

Organisation Beta experienced extraordinary growth in the past five years, primarily due to changes in government policy and government funding. This accounts for the increase of individuals in the supervisory/managerial positions in the last five years who were recruited from the external environment.

It was explained in Chapter 6 that respondents needed to have worked at least one year in the organisation to be considered for participation in this research. This was necessary because individuals needed to know the moral character of the organisation and be able to describe this character to outsiders (Cullen, et al., 1989). This requirement was satisfied. In the total sample, the minimum
value for the length of employment in the current organisation was one year and the maximum 32 years (M=9.6, median 6).

Another characteristic that was necessary to be fulfilled for inclusion in this research was managerial / supervisory responsibilities. These criteria were set so people in managerial positions can be examined in all three organisations, thus making comparison possible. The managerial supervisory level was chosen because ethical issues exist in any relationships between people and managers/supervisors need to fulfil formal and informal interpersonal roles. This makes ethics an inherent part of managers' jobs.

The question of whether employees were supervised was answered affirmatively by 67.7% of the respondents. Respondents were required to have fulfilled supervisory responsibilities in the current organisation either in their current role, or where that was not possible, to have fulfilled supervisory responsibilities in the last two years. The high proportion of respondents identifying their roles as non-supervisory in organisations Alpha and Gamma reflect poor selection of respondents by organisational insiders, major reorganisation of tasks and positions in the organisations, or respondents' failure to recognise the supervisory aspects of their work. In organisation Gamma the last possibility is more applicable, because many academics do not consider coordinating units and thus tutors, as a supervisory task.

In organisation Alpha, where the questionnaire was distributed internally, the researcher was assured by the manager distributing the questionnaires that they were only for respondents currently occupying a managerial position and
currently supervising employees, or did so in the last two years. In organisation Beta, in the first stage of data collection that involved group meetings, the researcher clarified and confirmed the requirement for managerial/supervisory responsibilities. In the second stage of data collection which was done via mail, questionnaires were mailed to potential respondents. The researcher was again assured that all people provided by the organisation currently filled a managerial position or did so in the past two years. In Organisation Gamma, the researcher with the assistance of key persons in the organisation ascertained this fact and only forwarded the questionnaire to people who fulfilled this requirement.

In organisation Beta where the researcher had some control over the respondents and contact with most of them, 93.6% of people recorded their position as supervisory. In organisation Beta the percentage was 62.5% and in organisation Gamma 46.7%. The low percentage of people in organisation Gamma who perceive their positions as supervisory, supports the notion that people may not necessarily recognise themselves as supervisors even when they are perceived as such by management and may fulfill supervisory responsibilities. The supervisory responsibility criterion was set to enable respondents from comparable positions in the organisations to take part in the research. Based on the proportion of respondents that described themselves as supervisors and managements’ reporting this has been achieved to a great extent.

Organisation Alpha as noted earlier is a government department with highly homogenous occupations that differ primarily in rank. Organisation Beta is a
health care provider and Organisation Gamma a division in a tertiary education institution. This distinction is reflected in the occupation groups and the education levels of the respondents of the three organisations.

7.2 RELIABILITY OF MEASUREMENTS

The Cronbach's coefficient alpha was calculated for each dimension of the ethical climate and personal ideology type, in order to test their internal consistency. It was noted in Chapter 6 that the researchers who developed the instruments and others who have used them in different studies, have found acceptable reliability for these instruments.

The Cronbach's coefficient alpha values are presented in Table 7.3. The coefficient $\alpha$ for the Independence dimension is just below 0.60. This is considered by some (see eg. Sekaran, 1984) the lowest acceptable $\alpha$ level.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of items</th>
<th>Cronbach's $\alpha$</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caring</td>
<td>7</td>
<td>.73</td>
<td>3.79</td>
<td>0.96</td>
</tr>
<tr>
<td>Law &amp; Code</td>
<td>4</td>
<td>.76</td>
<td>4.87</td>
<td>1.17</td>
</tr>
<tr>
<td>Rules</td>
<td>4</td>
<td>.62</td>
<td>4.34</td>
<td>1.01</td>
</tr>
<tr>
<td>Instrumental</td>
<td>7</td>
<td>.68</td>
<td>3.93</td>
<td>1.02</td>
</tr>
<tr>
<td>Independence</td>
<td>4</td>
<td>.59</td>
<td>3.79</td>
<td>1.07</td>
</tr>
<tr>
<td>Idealism</td>
<td>10</td>
<td>.78</td>
<td>4.89</td>
<td>0.92</td>
</tr>
<tr>
<td>Relativism</td>
<td>10</td>
<td>.76</td>
<td>4.10</td>
<td>0.99</td>
</tr>
</tbody>
</table>

* For items in all constructs: 1 = Completely disagree and 7 = Completely agree
However, the reliability of the constructs in this research are acceptable according to Nunnally (1967) who allows modest reliabilities of 0.60 or 0.50, but not acceptable according to the revised Nunnally (1978) who raised the acceptable $\alpha$ to 0.70. Pedhazur and Pedhazur-Schmelkin (1991) explain that it is impossible to find an authority for all research and situations and it is more appropriate to define acceptability on an individual case basis. In this research all the reliability coefficients were above 0.59. The exploratory nature of this research effort justifies the acceptance of the Coefficient alpha of 0.59, keeping in mind that the Coefficient alpha Victor and Cullen (1988) found for the Independence factor was 0.60. Therefore, it is concluded that all seven constructs are reliable.

7.3 ANALYSIS OF THE ORGANISATIONAL ETHICAL CLIMATES

The ethical climates of the three organisations based on the nine theoretical dimensions were analysed. As discussed in Section 6.4.2, the three organisations were expected to be perceived differently in terms of egoism, benevolence and principle.

Organisation Alpha was expected to have a predominantly Law and Code, and Rules climate. In theoretical dimensions these correspond with the Principle at the local and cosmopolitan climates. Organisation Beta was expected to have a Caring and Independence climate, corresponding to Benevolence in the individual, local and cosmopolitan levels and Principle in the individual level. Organisation Gamma was expected to have an Instrumental climate, corresponding with Egoism in the individual, local and cosmopolitan levels.
7.3.1 Analysis of the Theoretical Ethical Climate Dimensions

Table 7.4 contains the means of the theoretical dimension of the ethical climates in the three organisations. An analysis of variance (ANOVA) test was performed for the nine dimensions using the different organisations as the criterion for grouping responses. The ANOVA results and the relationships as revealed by the Scheffe test are also presented.

Table 7.4
Theoretical Ethical Climate by Organisation (ANOVA)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
<th>ANOVA (Scheffe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egoism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>3.42</td>
<td>3.50</td>
<td>3.54</td>
<td>3.20</td>
<td>N.S.</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>4.09</td>
<td>4.30</td>
<td>4.20</td>
<td>3.73</td>
<td>N.S.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benevolence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>3.27</td>
<td>3.20</td>
<td>3.82</td>
<td>2.76</td>
<td>β&gt;γ</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>5.39</td>
<td>5.56</td>
<td>5.71</td>
<td>4.87</td>
<td>N.S.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principle</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>4.34</td>
<td>4.76</td>
<td>4.30</td>
<td>3.93</td>
<td>α&gt;γ</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>4.87</td>
<td>5.58</td>
<td>4.86</td>
<td>4.12</td>
<td>α&gt;β&gt;γ</td>
</tr>
</tbody>
</table>

*Mean score on a seven point scale with 1= completely disagree, 7= completely agree.

Based on the predictions, organisation Gamma should have significantly higher means in the individual, local and cosmopolitan Egoism levels. The individual Egoism dimension contains statements such as in this organisation 'people are out for themselves' or 'people protect their own interests above all else'. In this dimension, organisation Gamma had the highest mean score but there was no significance difference.
The differences between the three organisations in the local and cosmopolitan Egoism dimensions were not significant, but it is interesting to note that organisation Gamma had the lowest mean in both. This can be explained by the nature of the organisation. Due to the context and environment of the organisation individuals are more likely to concentrate on their Individual Egoism, rather than be concerned with organisational interests. Statements such as 'people are expected to do anything to further the organisation’s interests, regardless of the consequences' and 'work is considered substandard only when it hurts the organisational interests' are representative statements of the Egoism dimension at the local level. The individualistic emphasis of most academic institutions and the ability individuals have in them to attach their work to themselves not their organisations, thus making it transferable, makes people a lot less likely to be concerned with the organisation’s benefit. This is also supported by the low score in the local Benevolence climate (M = 2.78, SD = 1.25). Further, the survey was conducted at a time when there had been recent organisational changes, which reduced ‘academic freedom’.

In the Benevolence dimension, organisation Beta was expected to be the highest in the three levels, individual, local and cosmopolitan. That was indeed the case but the difference was not significant in the individual and cosmopolitan levels of analysis. In the local level, the mean in organisation Beta was significantly higher than the mean in organisation Gamma, as revealed by Scheffe’s test.

In the Principle climate, organisation Gamma had the highest mean in the Individual dimension but the differences between the three organisations are
not significant. Organisation Beta was expected to have a mainly Individual Principle climate. This does not appear to be the case. This is probably an outcome of the increased government and organisational regulations in health related services, that are more likely to prescribe behaviour rather than rely on the individuals to decide for themselves what is right or wrong. It also reflects the high proportion of relatively new arrivals from outside the sector due to the rapid growth of the organisation and the need to meet new government guidelines.

In the local and cosmopolitan levels of the Principle climate, organisation Alpha had the highest means as expected, and the differences were significant in both the local and cosmopolitan levels. At the local level, the Scheffe's test revealed that Organisation Alpha was significantly higher than organisation Gamma. At the cosmopolitan level, organisation Alpha is significantly different to Beta, which is different to Gamma (see Table 7.4).

The government and professional regulations that apply in the health industry can explain organisation Beta's relatively high mean Principle scores at the Local and Cosmopolitan levels. Victor and Cullen (1988) explain that clan organisations can have a Law and Code ethical climate dimension if they operate in highly regulated industries. This phenomenon is evident in organisation Beta, in this research and is also reflected at the local level of the Principle climate, because the law and code are reflected in organisational rules.
Using the mean 3.5 as the mid point of the seven point Likert scale, all climates were rated highly except the individual and local levels of the Benevolence climate in organisations Alpha and Gamma. The means for these two dimensions were 2.95 and 2.78 respectively, in organisation Gamma. This also supports the individualistic and instrumental climate of organisation Gamma. In contrast to the individual and local levels of Benevolence, the cosmopolitan level has the highest total mean score ($M = 5.39$, $SD = 1.58$). It must be noted that the cosmopolitan level of the Benevolence climate is made up of only one statement: "In this organisation, it is expected that you will always do what is right for the customers and the public". The local level of the Benevolence climate that addresses the care for the whole organisation and the individual level that addresses the care for other individuals in the organisation are below the mid point in organisations Alpha and Gamma. This indicates very little concern and care for other individuals and the organisation in general.

Overall in the theoretical dimension of the ECQ, significant differences were found in the Principle dimension at the local and cosmopolitan levels, and Benevolence at the local level, as expected. The expected differences in Egoism were not significant in this research, but they were of the general direction anticipated. In the individual Principle dimension, organisation Beta which was expected to have the highest mean did not do so, probably due to the emphasis on regulations of the industry and the associated importation of managers / supervisors from outside, who were not necessarily health workers but managers (of the accountant variety). This also explains the relatively high mean on the local level of the Principle climate in organisation Beta. Another reason that explains this phenomenon is that members of clan climates support
each other's work but work independently (Wimbush, Shepard, & Markham, 1997a). Due to the nature of the services provided in organisation Beta, this independence does not really exist, as all services are interdependent. Overall these findings indicate that there are some significant differences between the ethical climates of the three organisations, and these differences where they exist, correspond with Ouchi's typology and the expected climates of the organisations. The analysis of the empirical dimensions that follows will further clarify these differences.

7.3.2 Analysis of the Empirical Ethical Climate Dimensions

The three different organisations are expected to be perceived differently in terms of the Law and Code, Rules, Caring, Independence and Instrumental dimensions of the ethical climate. An analysis of variance (ANOVA) test was performed for the five dimensions using the different organisations as the criterion for grouping responses (see Table 7.5). A Scheffe test was also performed, to reveal where the differences between the three groups lie.

Table 7.5
Differences in ethical climate by organisation* (ANOVA)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
<th>ANOVA (Scheffe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caring</td>
<td>3.79</td>
<td>3.80</td>
<td>4.19</td>
<td>3.35</td>
<td>β &gt; γ</td>
</tr>
<tr>
<td>Law &amp; Code</td>
<td>4.87</td>
<td>5.59</td>
<td>4.86</td>
<td>4.12</td>
<td>α &gt; β &gt; γ</td>
</tr>
<tr>
<td>Rules</td>
<td>4.34</td>
<td>4.76</td>
<td>4.30</td>
<td>3.93</td>
<td>α &gt; γ</td>
</tr>
<tr>
<td>Instrumental</td>
<td>3.93</td>
<td>4.08</td>
<td>3.81</td>
<td>3.80</td>
<td>N.S.</td>
</tr>
<tr>
<td>Independence</td>
<td>3.79</td>
<td>3.63</td>
<td>3.70</td>
<td>4.06</td>
<td>N.S.</td>
</tr>
</tbody>
</table>

*Mean score on a seven point scale with 1 = completely disagree, 7 = completely agree.

The overall interorganisational difference in the Caring, Law & Code, and Rules dimensions is significant (at the 0.01 level). As expected organisation Beta had
the highest score in Caring, and Organisation Alpha the highest in the Law and Code, and Rules dimensions. Organisation Beta was also expected to have the highest Independence score but that was not confirmed in this study. Organisation Gamma scored higher in Independence, a fact that can be explained by the nature of work and greater autonomy in tertiary educational institutions, while organisation Beta is greatly affected by government and funding department regulations, as well as professional body codes. Organisation Alpha scored higher in the Instrumental dimension but the difference was not significant.

The Scheffe test performed on the inter-group differences, confirmed their statistical significance (p<0.05) in the Caring climate between organisations Beta and Gamma. It also confirmed the difference in the Law & Code climate between organisation Alpha, and Beta and Gamma, and Rules between organisation Alpha and Gamma.

The analysis of the organisational ethical climates revealed that there are significant differences between the three organisations. The differences were found in the Caring, Law & Code and Rules climates. This climatic heterogeneity suggests that the effect the three organisations will have on the respondents' resolution of ethical dilemmas is likely to be different. This finding enables the continuation of the research to explore the effect of the organisation on the moral autonomy of individuals.

Following the analysis of the ethical climates of the three organisations, the ethical ideologies of the respondents were analysed. As mentioned in Chapter
6, the EPQ was used to reveal the ethical values of the respondents so that the effect of the person and the organisation can be ascertained in the resolution of the ethical dilemmas.

7.4 ANALYSIS OF PERSONAL IDEOLOGIES

The personal ideologies of respondents in the three organisations were assessed using Forsyth's (1980) EPQ, as discussed in Chapter 6. The EPQ contains 20 items. Ten items assess idealism and ten assess relativism. A seven pointLikert scale was used, 1 indicating complete disagreement and 7 complete agreement. The range of scores for each respondent in idealism and relativism is 10 to 70. Higher scores indicate higher idealism or relativism orientations.

Table 7.6
Ethical Ideology Scores by Organisation*

<table>
<thead>
<tr>
<th></th>
<th>Total Mean (SD)</th>
<th>Alpha Mean (SD)</th>
<th>Beta Mean (SD)</th>
<th>Gamma Mean (SD)</th>
<th>ANOVA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Idealism</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>46.85 (9.23)</td>
<td>44.91 (10.47)</td>
<td>49.48 (7.60)</td>
<td>46.19 (9.02)</td>
<td>F=2.06 p=0.13</td>
</tr>
<tr>
<td></td>
<td>Relativism</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>41.03 (9.93)</td>
<td>42.51 (9.37)</td>
<td>38.02 (8.71)</td>
<td>42.57 (11.22)</td>
<td>F=2.20 p=0.12</td>
</tr>
</tbody>
</table>

*Total score on a seven point scale where 1= completely disagree, 7= completely agree.

Table 7.6 contains the means of the idealism and relativism scores in the three organisations. Organisation Beta had the lowest mean score in relativism and the highest in idealism. Organisation Alpha had the lowest score in idealism, and organisation Gamma the highest score in relativism. To test the
significance of these differences, an ANOVA was performed but there were no significant differences between the three organisations.

Based on the findings presented in Table 7.6, the individual ethical ideologies in terms of idealism and relativism as measured by the EPQ are not significantly different between the respondents of the three organisations. Further analysis was conducted by dividing the responses to high and low in both idealism and relativism, using the median scores as suggested by Forsyth and Nye (1990). The median scores in idealism and relativism in organisation Alpha were 4.65 and 4.25 respectively, for organisation Beta 4.9 and 3.9 respectively and for organisation Gamma 4.65 and 4.30 respectively. The overall medians are 4.70 and 4.2 respectively.

Using the overall median, the respondents in the three organisations were cross-tabulated into high and low in idealism and relativism (see Table 7.7). As expected, organisation Gamma had the highest number of respondents that scored high in idealism and the highest number that scored low in relativism.

Table 7.7
Cross Tabulations of High / Low Idealism and Relativism

<table>
<thead>
<tr>
<th>High / Low Idealism</th>
<th>Observed</th>
<th>Expected</th>
<th>Total</th>
<th>α</th>
<th>β</th>
<th>γ</th>
</tr>
</thead>
<tbody>
<tr>
<td>High / Low Relativism</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Idealism</td>
<td>Observed</td>
<td>52</td>
<td>16</td>
<td>21</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>52</td>
<td>17.9</td>
<td>17.3</td>
<td>16.8</td>
<td></td>
</tr>
<tr>
<td>Low Idealism</td>
<td>Observed</td>
<td>41</td>
<td>16</td>
<td>10</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>41</td>
<td>14.1</td>
<td>13.7</td>
<td>13.2</td>
<td></td>
</tr>
<tr>
<td>High Relativism</td>
<td>Observed</td>
<td>48</td>
<td>20</td>
<td>12</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>48</td>
<td>16.5</td>
<td>16.0</td>
<td>15.5</td>
<td></td>
</tr>
<tr>
<td>Low Relativism</td>
<td>Observed</td>
<td>45</td>
<td>12</td>
<td>19</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expected</td>
<td>45</td>
<td>15.5</td>
<td>15.0</td>
<td>14.5</td>
<td></td>
</tr>
</tbody>
</table>
The chi-square test performed in high and low idealism did not reveal any significant differences ($\chi^2 = 2.64, \text{sig} = 0.27, \text{df} = 2$). Significant differences were also not found in the chi-square test performed for high and low relativism ($\chi^2 = 3.62, \text{sig} = 0.16, \text{df} = 2$). This indicates that in terms of the idealism and relativism scores, the individuals do not have significantly different ethical philosophies in the three organisations. Organisation Beta had the highest number of people high on Idealism and low on relativism, while Alpha and Gamma had the same number of people on high and low idealism and more people high on relativism.

The EPQ was further analysed using the overall median scores as cut-off points, as suggested by Forsyth and Nye (1990), to create the four groups of situationists, absolutists, subjectivists and exceptionists (see Table 7.8).

Table 7.8  
Ethical Ideology Matrix

<table>
<thead>
<tr>
<th>SITUATIONISTS</th>
<th></th>
<th>ABSOLUTISTS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High Idealism</td>
<td></td>
<td>High Idealism</td>
<td></td>
<td>Low Relativism</td>
</tr>
<tr>
<td>High Relativism</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>29.03</td>
<td>25</td>
<td>26.88</td>
</tr>
<tr>
<td>Alpha</td>
<td>11</td>
<td>34.88</td>
<td>5</td>
<td>15.63</td>
</tr>
<tr>
<td>Beta</td>
<td>11</td>
<td>35.48</td>
<td>10</td>
<td>32.26</td>
</tr>
<tr>
<td>Gamma</td>
<td>5</td>
<td>16.87</td>
<td>10</td>
<td>33.33</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUBJECTIVISTS</th>
<th></th>
<th>EXCEPTIONISTS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Idealism</td>
<td></td>
<td>Low Idealism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Relativism</td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>22.58</td>
<td>20</td>
<td>21.51</td>
</tr>
<tr>
<td>Alpha</td>
<td>9</td>
<td>28.13</td>
<td>7</td>
<td>21.87</td>
</tr>
<tr>
<td>Beta</td>
<td>1</td>
<td>3.23</td>
<td>9</td>
<td>29.03</td>
</tr>
<tr>
<td>Gamma</td>
<td>11</td>
<td>36.67</td>
<td>4</td>
<td>13.33</td>
</tr>
</tbody>
</table>
The matrix enables the respondents to be categorised in terms of ethical ideology and is similar to the analysis performed by Giacalone, Fricker, and Beard (1995). The EPQ does not perceive idealism and relativism as mutually exclusive, and the matrix presented in Table 7.8 enables the analysis of the respondents to both ideologies (see Section 6.2 and Table 6.2).

Cross tabulations and chi-square were performed, using these classifications to examine if there were statistical significant differences with regard to the ideologies between the different organisations (Table 7.9).

### Table 7.9
**Cross Tabulations of Ideology and Organisation**

<table>
<thead>
<tr>
<th>Idealism/Relativism Matrix</th>
<th>Observed</th>
<th>Expected</th>
<th>Total</th>
<th>$\alpha$</th>
<th>$\beta$</th>
<th>$\gamma$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situationists</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observed</td>
<td>27.00</td>
<td>11.00</td>
<td>11.00</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected</td>
<td>27.00</td>
<td>9.29</td>
<td>9.00</td>
<td>9.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absolutists</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observed</td>
<td>25.00</td>
<td>5.00</td>
<td>10.00</td>
<td>10.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected</td>
<td>25.00</td>
<td>6.60</td>
<td>8.33</td>
<td>8.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subjectivists</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observed</td>
<td>21.00</td>
<td>9.00</td>
<td>1.00</td>
<td>11.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected</td>
<td>21.00</td>
<td>7.00</td>
<td>6.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceptionists</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Observed</td>
<td>20.00</td>
<td>7.00</td>
<td>9.00</td>
<td>4.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected</td>
<td>20.00</td>
<td>6.88</td>
<td>6.67</td>
<td>6.45</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$\chi^2 = 14.61$, sig = .024, df = 6

A significant difference between the three organisations and the ethical ideologies, in terms of situationism, absolutism, subjectivism and exceptionism is found. To confirm that the significant $\chi^2$ is not due to the sample size, Cramer's $V$ was calculated. Cramer's $V$ adjusts the value of chi-square to take account of the sample size (Argyrous, 1996). The value of Cramer's $V$ in this case is 0.28 and it has the same significance as the $\chi^2$ test. Aryan describes
that generally any Cramer's V value of less than 0.10 is considered very weak, indicating the relationship between the variables to be very weak or trivial. In this case Cramer's V is 0.28, which indicates that there is a moderate relationship between organisations and the ethical ideologies.

The ideology of the respondents appears to vary in the three different organisations. Organisation Alpha has more Situationists, Subjectivists and Exceptionists than expected. These three types of ethical ideologies are based on teleology, or relativism. Situationists are relativistic and exhibit idealistic scepticism, Subjectivists are ethical egoists, Exceptionists utilitarian, and Absolutists deontological (Bass, Barnett, & Brown, 1998; Forsyth, 1992a; Tansey, Brown, Hyman, Dawson, 1994). Organisation Beta has fewer subjectivists than expected and organisation Gamma fewer Situationists and Exceptionists than expected. The relationship and implications of these findings and the ethical climate of the organisations in the questions of this research project are discussed in Chapter 9.

7.4.1 Personal Characteristics and Ideologies

Further analyses of variance were undertaken to test the relationships between age, gender, education, religion and marital status on the ethical ideologies of respondents.

Generally speaking individuals are expected to be more idealistic as they become older (Brady & Wheeler, 1996), and women are expected to be more caring than men, indicating an idealistic concern for the welfare of others.
(Gilligan, 1982; Schminke & Ambrose, 1997; Tsahuridu & Walker, 2001). Education (Jones & Gautschi, 1988) has also been found to affect ethical decision making. These factors have been described in more depth in Chapter 4.

Two analyses of variance were performed to test the relationship between relativism or idealism and personal characteristics. In the first ANOVA, relativism was the dependent variable (see Table 7.10). In terms of relativistic ideology, there was no significant relationship between age, age group, gender, education and relativism. Age was grouped as in the four categories of Table 7.1. It was also grouped in terms of up to and including 45 years old and equal to or greater than 46 years old, and that is what is represented by the age group characteristic. The age of 45 was chosen to group age, because it is the median of the sample in terms of age. Table 7.10 indicates that these personal characteristics were not found to influence the respondents' relativism.

### Table 7.10
**Relativism and Personal Characteristics**

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
<td>4.10</td>
<td>0.76</td>
<td>0.00</td>
<td>0.99</td>
</tr>
<tr>
<td>Male</td>
<td>60</td>
<td>4.10</td>
<td>1.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>4.10</td>
<td>0.99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤45</td>
<td>47</td>
<td>4.15</td>
<td>0.88</td>
<td>0.16</td>
<td>0.67</td>
</tr>
<tr>
<td>≥46</td>
<td>46</td>
<td>4.06</td>
<td>1.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>4.10</td>
<td>0.69</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the second analysis of variance idealism was the dependent variable. Significant relationships were found for both gender and age group with idealism (Table 7.11).
Table 7.11
Idealism and Personal Characteristics

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>Mean</th>
<th>SD</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>33</td>
<td>5.04</td>
<td>0.77</td>
<td>8.08</td>
<td>0.01</td>
</tr>
<tr>
<td>Male</td>
<td>60</td>
<td>4.49</td>
<td>0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>4.68</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>≤45</td>
<td>47</td>
<td>4.46</td>
<td>0.54</td>
<td>5.87</td>
<td>0.02</td>
</tr>
<tr>
<td>≥46</td>
<td>46</td>
<td>4.91</td>
<td>0.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>93</td>
<td>4.68</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Females were found to be significantly more idealistic than males and people over 45 more idealistic than those under 45 years old. These findings indicate that the gender and age of the respondents influenced idealism in this research.

7.5 CORRELATION ANALYSIS

To examine the nature, direction and significance of association (Sekaran, 1992) between the five ethical climate dimensions and the two ethical ideologies a correlation analysis was performed. As was discussed earlier, both the ECQ and the EPQ are based on the deontological and teleological philosophical orientations. As a result, some relationships are expected to exist between the ethical ideologies and the perceptions of the organisational ethical climate.

Table 7.12 contains the correlation analysis between climate and ideologies. The correlations show that there are significant positive relationships between the Instrumental climate and Relativism, the Caring climate and Law & Code, and Rules climates, and the Law & Code and Rules climates.
Significant negative associations exist between Relativism and Caring and the Caring and the instrumental climates.

Table 7.12
Ideologies and Climate Correlations

<table>
<thead>
<tr>
<th>CLIMATE</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDEOLOGY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Idealism</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Relativism</td>
<td>-0.17</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Caring</td>
<td>0.13</td>
<td>-0.19*</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Law &amp; Code</td>
<td>0.04</td>
<td>0.03</td>
<td>0.40**</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Rules</td>
<td>0.12</td>
<td>0.07</td>
<td>0.36**</td>
<td>0.54**</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Instrumental</td>
<td>0.10</td>
<td>0.31**</td>
<td>-0.34**</td>
<td>-0.07</td>
<td>-0.09</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>7. Independence</td>
<td>0.12</td>
<td>0.10</td>
<td>0.03</td>
<td>0.03</td>
<td>0.06</td>
<td>-0.05</td>
<td>1.00</td>
</tr>
</tbody>
</table>

* p < 0.05  
** p < 0.01

The Caring Climate has an idealistic orientation as it has been outlined earlier, but this orientation is based on concern for the welfare of others (Gilligan, 1982) and not justice (Kohlberg, 1976). As such, it is negatively associated with Instrumentalism which is based on ethical egoism and is thus based on a relativistic orientation. Caring is also negatively associated with relativism for the same reason. A positive association also exists between the Caring climate and the Law & Code and Rules climates. This association can be explained in terms of the idealistic orientation of the caring climate and the idealistic orientation of the Rules and Law & Code climates that are based on principles, at the local and cosmopolitan levels.
7.6 SUMMARY

This chapter presented the quantitative analysis of the ECQ and the EPQ. What is most important for this research project is not what ethical climates different organisations may possess or develop, or what type of ethical ideology individuals possess or develop. The main question of this research is if and how the ethical climate of the organisation affects individual ethical judgements. That is if the moral autonomy of individuals is affected in organisations. This question will be addressed in the following chapters, which contain the quantitative classification and qualitative analysis of the ethical dilemmas and discuss the findings.

The important outcomes of this chapter that will be used to clarify the effect of the organisation on the moral autonomy of individuals, are the ethical climate dimensions of the three organisations and the personal ideology of the individuals in the three organisations. These will be used in Chapter 8 to determine the moral autonomy, moral heteronomy and moral anomy in organisational and personal ethical judgements.
CHAPTER EIGHT
ANALYSIS OF ETHICAL DILEMMAS

The dilemmas presented to respondents addressed organisational and personal issues. As described in Chapter 6, the dilemmas were assessed for difficulty, complexity and relevance. Based on the assessments undertaken, three dilemmas low in difficulty and complexity and three high in difficulty and complexity for organisational and personal issues, were selected.

Each dilemma required the respondents to write what they thought the person facing the dilemma should do and then justify their proposed resolution. The responses to the first question were coded according to the resolution proposed and the codes were entered in SPSS. This was done so that frequency counts could be taken, as suggested by Sekaran (1992). The research is exploratory and aims to ascertain the general impact of organisations on people. The frequency tables provided allow for the examination of differences between organisations in the resolutions and justifications of dilemmas. Further statistical analyses to address the significance of found differences were not undertaken for several reasons. Firstly, it was found that the differences per dilemma response and justification were not significant but the overall differences are found to be revealing. Secondly, the resolutions and justifications are quantifications of qualitative data. Their representation in numerical terms enables general impressions to be made more explicit, but they do not lend themselves to statistical analysis as explained by Sekaran (1992). Finally, the richness of the data captured in the open-ended questions that the responses to the dilemmas provide, is found to be more valuable and revealing, especially in relation to the research propositions of this project.
The resolutions to the dilemmas are presented first, followed by the analysis of the justification provided. The analysis is conducted qualitatively in terms of ethical philosophy and thematic categories, supported by quantitative data.

### 8.1 Categories of Resolutions to the Dilemmas

The resolutions to the ethical dilemmas are presented in terms of frequency of responses. The resolutions to the dilemmas provide an understanding of the possibilities people in the three organisations consider. This understanding makes comparisons between organisations valuable and provides an insight about the possible effect of the organisational ethical climate on the resolutions people propose that will be discussed at the end of this chapter. The dilemmas in low complexity and difficulty are presented first, followed by dilemmas of high complexity and difficulty in both categories. The dilemma numbers used reflect the order in which they were presented in the questionnaire (see Appendix A).

#### 8.1.1 Low Complexity and Difficulty Organisational Dilemmas

##### 8.1.1.1 Second Organisational Dilemma

The second dilemma was developed for this research. It involved a sales negotiation, when the salesperson was aware of a product fault. In this dilemma, the least number of respondents who suggested that the client should be advised were found in organisation Gamma (see Table 8.1).
Table 8.1
Responses to Second Organisational Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Organisation</th>
<th>Alpha</th>
<th>%</th>
<th>Beta</th>
<th>%</th>
<th>Gamma</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advise client</td>
<td>n</td>
<td>16</td>
<td>51.61</td>
<td>23</td>
<td>74.19</td>
<td>13</td>
<td>44.63</td>
</tr>
<tr>
<td>Advise organisation</td>
<td>n</td>
<td>3</td>
<td>9.68</td>
<td>6</td>
<td>20.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depends</td>
<td>n</td>
<td>1</td>
<td>3.23</td>
<td>1</td>
<td>3.23</td>
<td>3</td>
<td>10.34</td>
</tr>
<tr>
<td>Fix problem</td>
<td>n</td>
<td>4</td>
<td>12.90</td>
<td>1</td>
<td>3.23</td>
<td>2</td>
<td>6.90</td>
</tr>
<tr>
<td>Nothing/sell product</td>
<td>n</td>
<td>4</td>
<td>12.90</td>
<td>2</td>
<td>6.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advise if client asks or will return</td>
<td>n</td>
<td>1</td>
<td>3.23</td>
<td>3</td>
<td>9.58</td>
<td>1</td>
<td>3.45</td>
</tr>
<tr>
<td>Do not complete contract</td>
<td>n</td>
<td>2</td>
<td>6.45</td>
<td>1</td>
<td>3.23</td>
<td>1</td>
<td>3.45</td>
</tr>
<tr>
<td>Other</td>
<td>n</td>
<td>2</td>
<td>6.45</td>
<td>1</td>
<td>3.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>n</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>32</td>
<td>100.00</td>
<td>31</td>
<td>100.00</td>
<td>30</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Respondents who suggested nothing should be done about the knowledge of the fault in the product or sell the product were only found in organisations Alpha and Gamma. Respondents who suggested the organisation should be advised, thus pushing the decision to the organisational hierarchy, were also only found in organisations Alpha and Gamma. One respondent from organisation Gamma commented that the issue should be raised in writing with the superiors in the organisation, in order “to push the decision higher” and to “cover himself”. Similarly, a response from organisation Alpha states:

If he is just an employee, he will keep quiet about the fault. He'll probably want to keep his job to pay the bills and school fees. Of course the right thing to do is tell upper management about the fault and let them sort it out.

Interestingly the right thing in this response from organisation Alpha is redefined as avoid making an ethical decision, making a decision to surrender ethical
decision making instead. The responses in this dilemma suggest that respondents in organisation Alpha are more likely to act unethically on behalf of the organisation and respondents from organisations Gamma and Alpha are more likely to avoid making an ethical decision.

This dilemma was perceived primarily in terms of long versus short term benefit to the organisation in organisations Alpha and Gamma and not as an ethical issue for Clint, the person facing the dilemma. "It is basically a business decision not an ethical issue" is a response given by a respondent from organisation Gamma.

The responses from organisation Beta, which has a more caring climate, suggest that people are more likely to behave ethically on behalf of the organisation. The caring climate shows concern for the colleagues at work, the organisation and the customers and society. In addition, respondents from organisation Beta make the decision instead of passing it to the organisation. This dilemma, which addresses primarily the customer or the cosmopolitan level of benevolence, reflects the organisational climates of the organisations.

8.1.1.2 Fourth Organisational Dilemma

The fourth dilemma was adapted from Snell (1996). It was about a supervisor who was asked to take a reputedly incompetent employee in her department, because no one else would have him. Organisation Alpha had the most respondents that suggest the supervisor should try to avoid taking on the employee and also the larger number of respondents who said the supervisor should refuse taking on the employee (see Table 8.2). Most of the respondents
in organisation Beta and Gamma suggested a conditional acceptance, based on retraining, performance management, etc.

The resolutions to this dilemma suggest that in organisation Alpha more people are likely to avoid taking on responsibilities that are not directly associated with the way they perceive their role. They are less likely to undertake extra role behaviours (Chatman, 1989), which are additional actions, not specified by one's job but which benefit the organisations.

Table 8.2
Responses to Fourth Organisational Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Conditional acceptance</td>
<td>6</td>
<td>25.00</td>
<td>14</td>
</tr>
<tr>
<td>Refuse</td>
<td>12</td>
<td>37.50</td>
<td>8</td>
</tr>
<tr>
<td>Accept</td>
<td>7</td>
<td>21.88</td>
<td>4</td>
</tr>
<tr>
<td>Clarify reputed</td>
<td>2</td>
<td>6.67</td>
<td>5</td>
</tr>
<tr>
<td>Try to avoid-accept if can't</td>
<td>5</td>
<td>15.63</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>6.06</td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>32</td>
<td>100.00</td>
<td>31</td>
</tr>
</tbody>
</table>

In organisation Beta, more responses show concern for the reputedly incompetent employee, the organisational unit, and the whole organisation, unlike organisation Alpha where the concern focuses on the manager. In Beta, respondents look for benefit for all concerned, the employee, the colleagues and the organisation. A characteristic example is:

Moving incompetent employees from one place to another is not a recommended management strategy. It is a lose/lose situation for all concerned. The incompetent learns nothing about their performance and they leave a trail of anger and frustration in their wake.
Even when individuals suggest that the supervisor should refuse to take the employee, they refer mostly to the effect that will have on the other people in the department. In organisation Alpha, the justification for refusing the employee relies more heavily on the job definition of the supervisor.

- Is it her job to employ incompetent members?
- It is not her role to mentor incompetent employees.
- She is an accountant, not an HR expert.
- When are management (upper) going to have the courage to remove incompetent low-performing individuals who have probably had every opportunity given and never helped themselves.

This is anticipated given the emphasis on organisational rules and regulations in Alpha, which is more likely to disable people from extending their roles to assist the organisation and people in the organisation.

In organisation Gamma, the responses varied more than in the other organisations and ranged from accepting the employee because 'she has no choice. She can express her reservations but has to do as told' to giving an opportunity to the employee that may not have been provided before. Many responses, however, mentioned the need to find out whether the person is indeed incompetent.

8.1.1.3 Sixth Organisational Dilemma

The sixth dilemma is about an employee who hears his supervisor take the credit for work done by an absent colleague in a departmental meeting (adapted from Lockheed Martin Corporation. 1998).

The greater number of respondents who would question the supervisor is found in organisation Beta, followed by Alpha (see Table 8.3). The respondents of
organisation Gamma in this dilemma are quite different. Only four respondents commented that the person facing the dilemma should question the supervisor and seven that the person should actually speak out during the meeting.

Table 8.3
Responses to Sixth Organisational Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Organisation</th>
<th>Alpha</th>
<th></th>
<th>Beta</th>
<th></th>
<th>Gamma</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>Tell colleague</td>
<td>6</td>
<td>18.75</td>
<td>3</td>
<td>9.68</td>
<td>5</td>
<td>16.67</td>
<td></td>
</tr>
<tr>
<td>Question supervisor</td>
<td>10</td>
<td>31.25</td>
<td>11</td>
<td>35.48</td>
<td>4</td>
<td>13.33</td>
<td></td>
</tr>
<tr>
<td>Tell meeting</td>
<td>12</td>
<td>37.50</td>
<td>11</td>
<td>35.48</td>
<td>7</td>
<td>23.33</td>
<td></td>
</tr>
<tr>
<td>Nothing</td>
<td>4</td>
<td>12.50</td>
<td>5</td>
<td>16.13</td>
<td>6</td>
<td>20.00</td>
<td></td>
</tr>
<tr>
<td>Depends</td>
<td>1</td>
<td>3.23</td>
<td>4</td>
<td>13.33</td>
<td>1</td>
<td>3.33</td>
<td></td>
</tr>
<tr>
<td>Tell colleague &amp; supervisor</td>
<td>3</td>
<td>10.00</td>
<td>2</td>
<td>32.26</td>
<td>3</td>
<td>10.00</td>
<td></td>
</tr>
<tr>
<td>Inform superiors</td>
<td>31</td>
<td>100.00</td>
<td>30</td>
<td>100.00</td>
<td>30</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

In this dilemma the greater number of respondents who would speak out in the meeting are from organisation Alpha. The authority of the supervisor is emphasised in organisation Alpha, while that is not the case in the other two organisations. This may explain the large number of people who would tell the meeting. Respondents from organisation Alpha also indicate that this is something that occurs frequently.

Organisation Gamma had the highest number of respondents who would not do anything about the incident. That can be explained by the more egocentric and task (not necessarily moral) autonomy that is apparent in this organisation.
8.1.2 High Complexity and Difficulty Organisational Dilemmas

8.1.2.1 First Organisational Dilemma

The first organisational dilemma involved a policy analyst who was pressured by management into leaving an option (the green route) out of a report she had to prepare. The dilemma was adapted from a case available from the Political Science and Public Policy Department, University of Arkansas (n.d.b). In this dilemma, the majority of respondents in the three organisations suggested that the person facing the dilemma should include both routes in her report (see Table 8.4).

Table 8.4
Responses to First Organisational Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Alpha</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Include both</td>
<td>23</td>
</tr>
<tr>
<td>Do what she is asked</td>
<td>5</td>
</tr>
<tr>
<td>Present best option</td>
<td>1</td>
</tr>
<tr>
<td>Include both, downplay green route</td>
<td>1</td>
</tr>
<tr>
<td>Take green route</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
</tr>
</tbody>
</table>

However, even when respondents agree on the proposed resolution they justify the resolution differently. In organisation Alpha, more respondents say that both routes should be included in order to satisfy the job requirements. In Gamma they suggest that it should be done so the person facing the dilemma does not suffer as a consequence. A response for example said that she should include both options in the report because she is a mid-level bureaucrat.
and should 'leave decisions which may backfire to someone further up the scale'.

Organisation Alpha had the highest number of people who thought that one must do what one is asked in organisations, followed by organisation Gamma (see Table 8.4). In organisation Beta only 6.45% of respondents thought that one should do what one is asked in the organisational context. This finding suggests that in organisation Alpha, which is perceived to have a Rules, and Law & Code climate, people are more likely to comply with organisational demands and not their personal values. They are caught between contradictory demands and pressures, and as Alvesson and Willmott (1992) explain they are victims as well as perpetrators of discourses and practices that constrain unnecessarily their thinking and acting. This is evident in the justification given by some respondents in organisation Alpha. Two characteristically state:

She will suffer if she leaves it out or includes it. First if she leaves it out she could become the focus of the controversy and a scapegoat, as the organisation will not necessarily support her. Second, she should include it but she will continue to feel pressure and may be ostracised or denied rewards such as good work assignments or promotions.

She should do what is requested by her superiors and leave cut the green route. Because if I was in her position that is what I would do. I believe management has dealt with this type of decisions several times before.

The fact persons are likely to do what is required is also evident in responses that qualify that what one should do is not what one would do in the organisational role. Thus voicing the pressure, expectation and likelihood to comply with organizational demands, even when the respondents consider them wrong. One response from organisation Alpha characteristically states:

In reality Helen would subscribe to her employers views, however she should present both options.
Another interesting phenomenon is that more people from organisation Beta suggest that the person facing the dilemma should present the option she considers the best, and she should present only the green route. This indicates that in this organisation the possibility of doing what one thinks is right in the organisational context and not what is defined as right by the organisation, is present. This possibility is considered anathema at present in most organisations and by some organisational writers (Hodgkinson, 1996, cited in Agnew & Cruise-Malloy, 1999), as described in Chapter 6.

8.1.2.2 Third Organisational Dilemma

The third dilemma involved a person who worked for a non-government organisation, and was asked to pay a 'security fee' to a band of soldiers. This dilemma was adapted from the case available from the Political Science and Public Policy Department, University of Arkansas (Political Science and Public Policy Department, n.d.a).

Table 8.5
Responses to Third Organisational Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Alpha</th>
<th></th>
<th>Beta</th>
<th></th>
<th>Gamma</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>Pay</td>
<td>15</td>
<td>50.00</td>
<td>16</td>
<td>53.33</td>
<td>17</td>
<td>55.67</td>
</tr>
<tr>
<td>Pay and advise org.</td>
<td>3</td>
<td>10.00</td>
<td>3</td>
<td>10.00</td>
<td>6</td>
<td>20.00</td>
</tr>
<tr>
<td>Advise superiors</td>
<td>8</td>
<td>20.00</td>
<td>1</td>
<td>3.33</td>
<td>1</td>
<td>3.33</td>
</tr>
<tr>
<td>Do not pay</td>
<td>3</td>
<td>10.00</td>
<td>2</td>
<td>6.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negotiate</td>
<td>2</td>
<td>6.67</td>
<td>6</td>
<td>20.00</td>
<td>3</td>
<td>10.00</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3.33</td>
<td>2</td>
<td>6.67</td>
<td>3</td>
<td>10.00</td>
</tr>
<tr>
<td>Missing</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>31</td>
<td>100.00</td>
<td>30</td>
<td>100.00</td>
</tr>
</tbody>
</table>
In this dilemma 50% or more of the respondents in each organisation suggest that the security fee should be paid. As in the previous dilemmas, more respondents from organisation Alpha suggest that the decision should be made by the organisation and not by the person who actually faces the dilemma (see Table 8.5). In contrast more respondents from Beta said she should negotiate.

Organisation Beta respondents are more likely to address the unethicality of paying a bribe, even if their majority suggested that it should be paid to save human lives. They are more likely to use moral language to explain the reasons they may choose to do what they consider unethical. One response for example that suggests the ‘fee’ should be paid, states:

Ethics and morals go out the window here. Anne does not have the ability or the time to change what is already an ingrained culture. Even if she reports it, it is unlikely to change within the scheduled time frames.

In contrast, an organisation Alpha response states:

Advise the superiors of situation seeking immediate support from relative departments, ie police, army etc. It is not her decision as to whether or not "security fees" should or should not be paid, and the pressure should not be placed on her in her position.

In this dilemma no respondents from organisation Gamma suggested that the bribe should not be paid. Six respondents from organisation Alpha resolved the case by suggesting that what the person facing the dilemma should do is advise her organisation. Similarly in organisation Gamma, the same number of respondents suggested that the ‘fee’ should be paid and the organisation informed.
8.1.2.3 Fifth Organisational Dilemma

The fifth organisational dilemma was adapted from the Institute for Global Ethics (1998). The case involved a young scientist and the choice of either accepting funding that had conditions attached which meant that an honest report could not be produced, or rejecting the funding and thus the possibility of researching the pollution on the Great Barrier Reef.

Table 8.6
Responses to Fifth Organisational Dilemma

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Alpha</th>
<th>Bata</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolution</td>
<td>n</td>
<td>%</td>
<td>n</td>
</tr>
<tr>
<td>Refuse</td>
<td>10</td>
<td>32.26</td>
<td>11</td>
</tr>
<tr>
<td>Voice concerns</td>
<td>7</td>
<td>22.58</td>
<td>8</td>
</tr>
<tr>
<td>Accept</td>
<td>6</td>
<td>19.35</td>
<td>3</td>
</tr>
<tr>
<td>Accept if transparent</td>
<td>3</td>
<td>9.68</td>
<td>2</td>
</tr>
<tr>
<td>Negotiate</td>
<td>2</td>
<td>6.45</td>
<td>4</td>
</tr>
<tr>
<td>Blow whistle</td>
<td>1</td>
<td>3.23</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>6.26</td>
<td>1</td>
</tr>
<tr>
<td>He has no say</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change jobs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
<td>31</td>
</tr>
</tbody>
</table>

Organisation Gamma is a tertiary education institution and a research organisation. It appears interesting that no respondent suggested that the person facing the dilemma should voice his concerns in organisation Gamma. This can be explained either by the fact that the respondents did not feel it is worth doing so, or that the respondents believe that they have the power and responsibility to decide what research projects they accept thus voicing concern.
is not an appropriate approach. Interestingly, the only three respondents who suggested the researcher facing the dilemma has no say in the matter also come from organisation Gamma which supports the former reason outlined.

Another finding is that more people from organisation Gamma see it as a case that is resolved based on personal preferences and feelings rather than rights and wrongs. Two responses characteristically state:

> As a young and recent graduate, Chris is in no position to influence the decision at all (probably). You haven't explained what Chris's position is ethically and morally. If he feels strongly about the issue of 'iled' research 'unding he should make his position known and probably be prepared to resign if he felt strongly enough.

> It is Chris's choice, only he can weigh up the pros and cons. If it was me, I would do it if it was absolutely necessary to keep the job. I don't see it as an ethical decision, the pros and cons need to be weighed up and acted upon.

In organisation Gamma, it was also found that respondents did not feel that there is a real possibility of affecting the acceptance of the research at the organisational level. The only choice was on the person facing the dilemma and what he was prepared to do at the personal level.

> Chris can quit and blow the whistle. In the system things happen their own way. One employee severely makes a difference. Or Chris can bear it, work, find an alternative placement and leave.

> This is outside of Chris' control and not something he needs to make a decision about until management have decided whether to accept the support from the polluting organisation.

Responses like these also indicate a possible reaction of organisational members that are asked to behave in a way they find unacceptable. The most respondents that suggest the funding should be accepted come from organisation Alpha, while more people from organisation Beta suggest that negotiations should be undertaken.
8.1.3 Low Complexity and Difficulty Personal Dilemmas

8.1.3.1 First Personal Dilemma

The first personal dilemma presented was about Stan, who received an extra $50.00 from an ATM without being charged for it. This dilemma was developed for this research.

The great majority of respondents from organisations Alpha and Beta responded by saying that the person facing the dilemma should return the money to the bank, or advise the bank of the event (see Table 8.7). In organisation Gamma, however, half of the respondents suggested that Stan should keep the extra $50.00.

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Alpha</th>
<th>%</th>
<th>Beta</th>
<th>%</th>
<th>Gamma</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return $/contact bank</td>
<td>27</td>
<td>84.38</td>
<td>25</td>
<td>80.65</td>
<td>14</td>
<td>46.67</td>
</tr>
<tr>
<td>Keep $</td>
<td>3</td>
<td>9.38</td>
<td>3</td>
<td>9.66</td>
<td>15</td>
<td>50.00</td>
</tr>
<tr>
<td>He decides</td>
<td>1</td>
<td>3.13</td>
<td>3</td>
<td>9.66</td>
<td>1</td>
<td>3.33</td>
</tr>
<tr>
<td>Go to current affairs prg</td>
<td>1</td>
<td>3.13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>31</td>
<td>100.00</td>
<td>30</td>
<td>100.00</td>
</tr>
</tbody>
</table>

The response about the current affairs refers to a current affairs program the respondent had seen about a similar occurrence. Interestingly, three people from organisation Beta resolve the case by suggesting that the person has to decide, ie implying that there is no right or wrong position, but a person – situation dependent outcome that only the person facing the dilemma can resolve.
In organisation Alpha the emphasis of saying the person should return the money, was mainly law related, and most respondents commented that keeping it is stealing it and that is an offence. In Beta the emphasis is placed more on integrity and character.

The justification for keeping the money is an overt dislike for the banks in all organisations. Respondents comment that banks do not fulfil any of their responsibilities, and they overcharge for the services they provide. This, they claim, justifies the retention of the extra $50.00. A response from organisation Gamma justifies the: 'Thank his lucky stars! Keep it' resolution by stating:

Because I see this as a stroke of luck, not stealing. The amount of 'suffering' it will cause to keep this is infinitesimal, given the billions of profit made by the bank. He'd probably be charged a fee if he tried to find a real person to hand it back to!

This type of reasoning reveals that people are more likely to be egoistic if they perceive other entities' behaviour to be unfair and they cannot affect any change, and it has implications for organisational reputation and stakeholder theory that are beyond the scope of this research.

8.1.3.2 Fourth Personal Dilemma

The fourth personal dilemma was adapted from Klimos (1999b) and it involved a person who received $10 extra change from a shop assistant after a purchase.

The majority of respondents in all organisations said that the person should give back the extra change (see Table 8.8).
This dilemma is similar to the first personal dilemma presented, in that in both cases the person facing the dilemma received extra money that did not belong to him/her. The difference is that in the previous dilemma a machine made the mistake and it was for a greater amount while in the second a person made the mistake. The respondents considered the fact that there was a person involved in this dilemma an important difference and they were likely to justify the decision to return the money in terms of potential harm to the shop assistance in this case. Another difference that was of importance to respondents was that in the first dilemma the banks were to lose, and people justified keeping the money, especially in organisation Gamma by referring to the banks' 'robbing' activities. The difference in amount between the dilemmas was not raised as an issue by any of the respondents. This indicates that people considered their personal benefit as a consequence of doing what they consider fair and the effect that it will have on the other party involved and not as the primary motivation for their decision.

Table 8.8
Responses to Fourth Personal Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Organisation</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Give $ back</td>
<td>n</td>
<td>%</td>
<td>n</td>
<td>%</td>
</tr>
<tr>
<td>30</td>
<td>93.75</td>
<td>29</td>
<td>93.55</td>
<td>24</td>
</tr>
<tr>
<td>Keep $</td>
<td>2</td>
<td>6.25</td>
<td>1</td>
<td>3.23</td>
</tr>
<tr>
<td>Depends</td>
<td>1</td>
<td>3.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>31</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Organisation Gamma again had the lowest number of people that said the money should be returned. In all organisations there were cases where people identified the incongruency of their responses between this and the previously presented case, with comments such as:
Unlike the bank example earlier, the return of the $10 has a direct and significant effect on the vendor.

The respondents that did not offer a resolution but said that it 'depends' mentioned parameters such as how far from the shop Mark was when he realised the mistake and what kind of service he received and whether he was satisfied with it, which indicate egocentric reasoning.

8.1.3.3 Sixth Personal Dilemma

The sixth personal dilemma was developed by Thompson et al. (1994, p. 5). It involved a person who was approached early one cold morning by a beggar smelling of alcohol asking for $2 to buy a coffee.

This dilemma was resolved fairly distinctly by the majority of respondents in the three organisations (see Table 8.9). In organisation Alpha, the most common resolution was not to give the person the $2. In organisation Beta, the most common resolution was to actually buy the person a coffee. In organisation Gamma it was to give the person the $2.

Table 8.9
Responses to Sixth Personal Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Alpha n</th>
<th>Alpha %</th>
<th>Beta n</th>
<th>Beta %</th>
<th>Gamma n</th>
<th>Gamma %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not give $</td>
<td>15</td>
<td>46.88</td>
<td>6</td>
<td>20.00</td>
<td>10</td>
<td>33.33</td>
</tr>
<tr>
<td>Give $</td>
<td>7</td>
<td>21.88</td>
<td>10</td>
<td>33.33</td>
<td>11</td>
<td>36.67</td>
</tr>
<tr>
<td>Buy him coffee</td>
<td>5</td>
<td>15.63</td>
<td>14</td>
<td>46.67</td>
<td>7</td>
<td>23.33</td>
</tr>
<tr>
<td>Only she decides</td>
<td>4</td>
<td>12.50</td>
<td></td>
<td></td>
<td>1</td>
<td>3.33</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3.13</td>
<td></td>
<td></td>
<td>1</td>
<td>3.33</td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100.00</td>
<td>31</td>
<td>100.00</td>
<td>30</td>
<td>100.00</td>
</tr>
</tbody>
</table>
To buy the coffee shows care for the beggar and his well being. Organisation Beta had the greatest number of people that would perform that action. The response 'only she decides' indicates that the respondent has a relativistic orientation that is context specific and a resolution cannot be formulated.

Respondents from organisation Alpha were more likely to refer to the legal status of begging in Australia and that explains the high proportion of people from that organisation who would not give money to the beggar, as this they say is an illegal activity. In organisation Gamma more respondents comment that the beggar should not be judged but given the money.

You should not judge him for what he is or has become. Assess him for what he now needs and what you can afford to give him. Beggars need coffee as well as beer.

People from organisation Gamma also comment that even if the money is spent on alcohol that will also be helpful for the beggar. So many suggest that the beggar should decide what to do with the money and not the person facing the dilemma.

8.1.4 High Complexity and Difficulty Personal Dilemmas

8.1.4.1 Second Personal Dilemma

The second personal dilemma was adapted for this research from Huston (1998). It involved a girl who is seriously ill. She is expected to die unless a donor is found and her brother, who could donate a kidney as he shows compatibility, refuses. The case asks respondents to suggest what the girl’s father should say to her.
In this dilemma, most of the people who suggested the father should tell his daughter the truth come from organisation Alpha (see Table 8.10). These results were justified on Marie needing to know, the father needing to be honest and the father benefiting from being honest. The majority of people (50%) who suggested the father should lie (either say tests are not positive or results are not out yet) come from organisation Beta. This appears to be an interesting finding, since respondents from organisation Beta have generally been more likely to be honest in the organisational dilemmas. However this may indicate caring for the well being of the daughter and not disclosing information that will be detrimental to her health. For example:

When somebody has serious health problems they should not always be told the truth.

Table 8.10
Responses to Second Personal Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Alpha</td>
</tr>
<tr>
<td>Nothing</td>
<td>8</td>
</tr>
<tr>
<td>Tests not positive</td>
<td>10</td>
</tr>
<tr>
<td>Truth</td>
<td>9</td>
</tr>
<tr>
<td>Results not out yet / Alex thinking</td>
<td>2</td>
</tr>
<tr>
<td>Who knows – he decides</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
</tr>
</tbody>
</table>

The responses that indicate that the father should say nothing to the daughter relied primarily on confidentiality issues and to a lesser degree on caring for both children. In this dilemma, no people from organisation Beta suggested
that the dilemma cannot be resolved and it is up to the father to do so. Three respondents from organisation Alpha and two from organisation Gamma suggested that one cannot suggest a resolution to this dilemma, as it is only up to the person facing the dilemma to resolve it. These responses indicate a higher degree of ethical relativism, where what is believed to be an applicable ethical value cannot be easily accessed or alternatively that it is a situation that is too difficult and impossible to imagine what one should do until it is experienced.

The most respondents that suggested that the father should tell his daughter the truth belong to organisation Alpha and the least in organisation Beta. In organisation Beta many respondents said that the truth in this case would inflict further pain and suffering and it was on those grounds, not supported. This indicates a caring orientation for the well being of the daughter.

8.1.4.2 Third Personal Dilemma

This dilemma was adapted from Klims (n.d.a). It involved a person telling a friend in confidence that he was molested by one of his parents. The dilemma asked respondents to decide what the person that was told that information in confidence should do.

In this dilemma 50% of the respondents from organisation Gamma show a concern for both the confidence and the well being of the friend (see Table 8.11), by suggesting that the person facing the dilemma should try to convince her friend to get advice from professionals and qualified service providers.
Organisation Beta has the lowest number of respondents that suggest the same.

Table 8.11
Responses to Third Personal Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Organisation</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Alpha n %</td>
<td>Beta n %</td>
<td>Gamma n %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Respect confidence</td>
<td>12 37.50</td>
<td>16 51.61</td>
<td>10 33.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convince friend to get advice</td>
<td>13 40.63</td>
<td>8 25.81</td>
<td>15 50.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advise parents / authorities</td>
<td>5 15.63</td>
<td>5 16.13</td>
<td>2 6.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convince him to go to police / get help</td>
<td>2 6.25</td>
<td>2 6.45</td>
<td>1 3.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td></td>
<td>6.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>32 100.00</td>
<td>31 100.00</td>
<td>30 100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Responses from organisation Beta are justified however based on concern for both the friend and the confidence. The following indicative examples demonstrate that:

Helen's friend has told Helen because he wants someone to trust with this very sensitive information. A betrayal of this confidence would cause enormous problems for Helen's friend.

The information has been given in confidence and this should be respected. By providing support the friend may eventually feel strong enough to take action or to seek counselling himself.

In contrast, some responses from organisation Alpha relied on the illegality and punishability of what has happened and the legal obligation to get the friend to report the matter and the necessity to get an expert involved. This is evident in the following responses from organisation Alpha.

Helen should help her friend by taking them to an authority, even if it is just for counselling to deal with the situation. Because her friend is 'still at risk' whilst no-one else knows, and the offending parent is still around.

If Helen is unable to persuade her friend to tell someone in authority and there is threat of further abuse she will need to contact authorities for her friend.
It is important to stop the abuse happening and for the family and Helen's friend to receive counselling, even if it means breaking Helen's friend's trust as eventually the friend will realise that Helen had their best interest at heart. Because the friend needs help to get over what has happened and his parent needs to be dealt with.

Child molesters should be exposed. If Helen doesn't tell anyone the perpetrator will go on their merry way. Initially it will be extremely painful for Helen's friend and he will probably feel betrayed. His parent needs to be taken to task. The child molester needs to be stopped.

In organisation Gamma more people suggested that the friend should be convinced to seek help.

8.1.4.3 Fifth Personal Dilemma

The fifth dilemma was of high complexity and difficulty. It was developed by Kidder (1996, p. 20) and adapted for this research. It involved a person who faced the dilemma of doing a MBA and thus advancing his career or spending time with his growing children.

Table 8.12
Responses to Fifth Personal Dilemma

<table>
<thead>
<tr>
<th>Resolution</th>
<th>Organisation</th>
<th>Alpha n %</th>
<th>Beta n %</th>
<th>Gamma n %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discuss with family</td>
<td></td>
<td>10 32.26</td>
<td>9 29.02</td>
<td>12 40.0</td>
</tr>
<tr>
<td>Postpone MBA</td>
<td></td>
<td>10 32.26</td>
<td>7 22.58</td>
<td>2  6.57</td>
</tr>
<tr>
<td>Do MBA</td>
<td></td>
<td>6 19.35</td>
<td>6 16.13</td>
<td>7 23.33</td>
</tr>
<tr>
<td>He decides/depends</td>
<td></td>
<td>2  6.45</td>
<td>3  9.68</td>
<td>4 13.34</td>
</tr>
<tr>
<td>Do it p/time</td>
<td></td>
<td></td>
<td>4 12.90</td>
<td>3 10.00</td>
</tr>
<tr>
<td>Do not do MBA</td>
<td></td>
<td>2  6.45</td>
<td>1  3.23</td>
<td>1  3.33</td>
</tr>
<tr>
<td>What is best for family/honour family commitment</td>
<td></td>
<td>1 3.23</td>
<td>2 6.46</td>
<td>1 3.33</td>
</tr>
<tr>
<td>Missing</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>32 100.00</td>
<td>31 100.00</td>
<td>30 100.00</td>
</tr>
</tbody>
</table>

The smallest number of respondents that suggested the person should do the MBA comes from organisation Beta while the largest form organisation
Gamma, which is a tertiary education institution. The most people who suggested that he should discuss it with his family come from organisation Gamma.

The majority of people (83.3%) from organisation Gamma hold a postgraduate qualification, which they are currently using. That has possibly affected their decision to suggest the undertaking of the MBA and also to discuss the issue with the family. In contrast, in organisation Alpha, only three people (9.7%) had a postgraduate qualification and that may have affected their decision to suggest that the MBA should be postponed.

Respondents in the three organisations discussed the implications the decision would have on the whole family and the responsibilities undertaken as a parent.

A response from organisation Alpha for example states:

Andy took on the responsibility of parenthood. He should fulfil that obligation before embarking on further commitments. It would not be fair to his wife or his kids for him to force the responsibility onto his wife alone.

8.2 CATEGORIES OF JUSTIFICATIONS TO THE DILEMMAS

The second open-ended question asked respondents to justify the resolution provided in question one and explained above. In Chapter 6 the selection process and characteristics of the ethical dilemmas of this research were explained. The research propositions suggest that as the difficulty and complexity increase, people will be expected to make more heteronomous decisions in the organisational dilemmas in organisations Alpha and Gamma (see Table 4.1). In organisation Alpha, which has a Rules and Code and Law climate, people are expected to rely on organisational rules, regulations and the
law to justify their judgements in difficult and complex dilemmas. In organisation Gamma, which is a market organisation and appears to have a weak ethical climate, people are expected to rely more on the law in difficult and complex dilemmas. In the organisational dilemmas of low complexity and difficulty, people from organisations Alpha and Gamma are expected to make more anomalous decisions. This is indicated by more reliance on Instrumental justifications. In organisation Beta, more people are expected to make morally autonomous decisions by relying on what they consider right and wrong, and not what the organisation or the law provides, on both types of dilemmas.

The reasoning for the given resolutions to the dilemmas was analysed both quantitatively and qualitatively. Two raters coded the justifications for the resolution to the dilemmas, as it has been outlined in Chapter 6. The coding was performed in terms of the ethical climate dimensions of egoism, benevolence and principle at individual, local and cosmopolitan levels (see Table 6.1) and the personal ideologies of relativism and idealism. Due to the small sample size and large number of cells, statistical tests were not applied to the reasoning codes. However, ANOVA and Scheffe tests were performed in the ethical ideology analysis and significant differences were found. The analysis of the organisational and personal dilemmas in terms of ethical climate dimensions is described in this section. This analysis is presented in the low and high difficulty and complexity categories for both types of dilemmas. Each code is thus the sum of the three organisational or three personal dilemmas in each group.
8.2.1 Organisational Dilemma Justifications

The coding of the dilemmas was outlined in Chapter 6 (see Section 6.6.3). There it was clarified that all theoretical climate dimensions fit into the empirically derived climates, apart from Egoism cosmopolitan (see Table 6.7). The cosmopolitan level of the Egoism climate is split between the Caring and Instrumental climates. For this analysis, this dimension was included in the Caring climate, because it was coded to reflect caring for all resources.

Respondents' justifications to each dilemma were coded in terms of their reasoning. The maximum possible mean for each dimension is 21, being the number of dilemmas (3) times the maximum score (7). The minimum possible mean is 3 (number of dilemmas times the minimum score of 1). Most justifications especially in the low complexity and difficulty organisational dilemma category used two or more types of reasoning, such as Law and Code and Instrumental, Rules and Caring, etc.

Overall from the total 558 organisational dilemma responses in the three organisations, eight were missing. Four were missing in organisation Alpha, three in Beta and one in Gamma. Of those, three from organisation Alpha and two from organisation Beta were in the high complexity categories (see Tables 8.13 and 8.14). The missing responses indicate that the dilemmas were found too difficult or irrelevant, or they were accidentally left unanswered. The small number of missing responses however, suggests that overall the respondents perceived the dilemmas as relevant and appropriate.
The research propositions suggest that the reasoning used to resolve the organisational dilemmas will be affected by the organisational climate, particularly in organisations Alpha and Gamma. Table 8.13 contains the sums, means, standard deviations and number of responses per climate for the low in difficulty and complexity organisational dilemmas. These are dilemmas 2, 4 and 6 as they were presented in the questionnaire and above.

More respondents (n=22) from organisation Beta included caring reasoning to resolve these dilemmas, but respondents from organisation Alpha that used caring relied on it to a greater extend in their judgements (M=5.29).

The instrumental or egoistic orientation occurs most frequently in all three organisations but it was most relied upon by persons in organisation Gamma (M=11.00). People were more likely in Gamma to justify the resolution to the dilemmas based primarily on that reasoning. Independence was most relied upon in organisation Beta (M=7.08), in that organisation more people also used caring to justify their decisions.

Law and Code reasoning was used by the smallest number of respondents from organisation Alpha (n=6), while the Rules reasoning was used by similar numbers of respondents from organisations Beta and Gamma and more respondents from organisation Alpha (n=24).
Table 8.13
Organisational Dilemma Reasoning Codes - Low Complexity and Difficulty*

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>Total</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
</tr>
<tr>
<td>CODE</td>
<td>SD</td>
<td>SD</td>
<td>SD</td>
<td>SD</td>
</tr>
<tr>
<td>N</td>
<td>n</td>
<td>n</td>
<td>n</td>
<td>n</td>
</tr>
<tr>
<td>Complexity and Difficulty</td>
<td>241</td>
<td>92</td>
<td>59</td>
<td>4.55</td>
</tr>
<tr>
<td>Caring</td>
<td>2.66</td>
<td>3.29</td>
<td>2.17</td>
<td>2.49</td>
</tr>
<tr>
<td>Law &amp; Code</td>
<td>114</td>
<td>19</td>
<td>37</td>
<td>58</td>
</tr>
<tr>
<td>Rules</td>
<td>2.65</td>
<td>3.27</td>
<td>2.20</td>
<td>2.35</td>
</tr>
<tr>
<td>Instrumental</td>
<td>370</td>
<td>134</td>
<td>134</td>
<td>102</td>
</tr>
<tr>
<td>Independence</td>
<td>818</td>
<td>239</td>
<td>211</td>
<td>308</td>
</tr>
</tbody>
</table>

The sums were calculated by adding the codes to the three dilemmas in the low complexity and difficulty category. As a result the maximum mean value possible is 21 (3x7).

Looking at the codes within each organisation in terms of means, Alpha relies most heavily on instrumental reasoning and the least on law and code. In this organisation law and code and rules are considered synonymous, explaining
the low mean on the former reasoning. Beta relies most heavily on instrumental reasoning, followed by independence. The least used reasoning is caring. Organisation Gamma relies most heavily on instrumental reasoning and the least on caring. In terms of numbers of respondents who used each type of reasoning the majority from each organisation relied on instrumental reasoning and the minority on law and code reasoning.

The analysis of the justifications provided to organisational dilemmas that were low in complexity and difficulty indicates that the organisational climate does have a small effect on the reasoning provided by the respondents. The relatively low means in all categories indicate respondents applied multiple types of reasoning in resolving these dilemmas. In organisation Beta, more respondents utilised a caring orientation to justify the resolution they proposed, but its intensity as presented by the means, is lower than organisation Alpha. More people used organisational rules to justify their decisions in organisation Alpha, and Law and Code in organisation Gamma. In all three organisations, the highest means and number of respondents is found in the Instrumental category, but organisation Beta had the lowest mean (M=7.57) followed by Alpha (M=9.05) and Gamma the highest (M=11.00). This finding indicates that people in organisational dilemmas that are considered easy and simple are more likely to include egoism to justify their decisions, thus supporting the proposition that anomy is likely and possible.

The findings also indicate that the dilemmas and the issues they raise play a role in the type of reasoning that is used. This explains the general uniformity in terms of numbers of respondents from each organisation that used each type
of reasoning with the exception of Caring, which was used by a greater number of respondents from organisation Beta.

Dilemmas 1, 3, and 5 were the organisational dilemmas that were of high complexity and difficulty. The summaries of the coded justifications are presented in Table 8.14.

As with the low complexity and difficulty dilemmas, the means in the high complexity and difficulty are low, indicating the use of multiple types of reasoning with caring being the strongest in all organisations. In the high difficulty and complexity dilemmas, organisation Beta had the highest mean in caring (M=8.75) and Independence (M=6.63). Organisation Gamma had the highest mean (M=6.73) in Instrumental (egoistic) and Law and Code justifications (M=7.90), while organisation Alpha had the greatest mean in Rules. These findings support the propositions stated earlier that as the difficulty and complexity of the dilemmas increases people in organisation Alpha are more likely to rely on the rules provided by the organisation, and people from organisation Gamma in the law and professional code. They are more likely to rely on external authorities to provide the nomos. In organisation Beta, people use caring and independent reasoning, indicating the possibility of autonomy.

In terms of number of responses Organisation Alpha had the greatest number in Caring (n=30), Rules (n=25) and instrumental (n=24) orientations, organisation Beta in Independence (n=19) and Gamma in Law and Code (n=21). Caring was the most frequently used reasoning in all organisations,
followed by Rules and Instrumental in organisation Alpha, Rules in Beta, and Law and Code, and Rules in Gamma.

Table 8.14
Organisational Dilemma Reasoning Codes - High Complexity and Difficulty

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>Total</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CODE</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sum</td>
<td>Sum</td>
<td>Sum</td>
<td>Sum</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>SD</td>
<td>SD</td>
<td>SD</td>
<td>SD</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>n</td>
<td>n</td>
<td>n</td>
</tr>
<tr>
<td>Caring</td>
<td>608</td>
<td>200</td>
<td>245</td>
<td>163</td>
</tr>
<tr>
<td></td>
<td>7.51</td>
<td>6.67</td>
<td>8.75</td>
<td>7.09</td>
</tr>
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<td>3.79</td>
<td>3.34</td>
<td>4.05</td>
<td>3.78</td>
</tr>
<tr>
<td></td>
<td>81</td>
<td>30</td>
<td>28</td>
<td>23</td>
</tr>
<tr>
<td>Law &amp; Code</td>
<td>264</td>
<td>46</td>
<td>52</td>
<td>166</td>
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<td></td>
<td>5.50</td>
<td>3.29</td>
<td>4.00</td>
<td>7.90</td>
</tr>
<tr>
<td></td>
<td>3.68</td>
<td>2.27</td>
<td>2.00</td>
<td>3.91</td>
</tr>
<tr>
<td></td>
<td>48</td>
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<td>21</td>
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<tr>
<td>Rules</td>
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<td>135</td>
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<td></td>
<td>6.17</td>
<td>6.60</td>
<td>5.63</td>
<td>6.30</td>
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<td>3.93</td>
<td>3.91</td>
<td>3.63</td>
<td>4.40</td>
</tr>
<tr>
<td></td>
<td>59</td>
<td>25</td>
<td>24</td>
<td>20</td>
</tr>
<tr>
<td>Instrumental</td>
<td>327</td>
<td>147</td>
<td>79</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td>5.85</td>
<td>6.13</td>
<td>4.94</td>
<td>6.73</td>
</tr>
<tr>
<td></td>
<td>3.46</td>
<td>3.58</td>
<td>2.72</td>
<td>3.99</td>
</tr>
<tr>
<td></td>
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<td>15</td>
</tr>
<tr>
<td>Independence</td>
<td>203</td>
<td>93</td>
<td>126</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>5.63</td>
<td>5.81</td>
<td>6.63</td>
<td>4.35</td>
</tr>
<tr>
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<td>3.38</td>
<td>4.39</td>
<td>3.09</td>
<td>2.18</td>
</tr>
<tr>
<td></td>
<td>52</td>
<td>15</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>TOTAL NUMBER OF DILEMMAS</td>
<td>93</td>
<td>91</td>
<td>90</td>
<td></td>
</tr>
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<td>TOTAL SUM</td>
<td>651</td>
<td>657</td>
<td>630</td>
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</tr>
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<td>3</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The sums were calculated by adding the codes to the three dilemmas in the low complexity and difficulty category. As a result the maximum mean value possible is 21 (3x7).*
In the high and low difficulty and complexity, organisation Gamma had the highest number and mean in the Law and Code dimension. This finding can be explained in terms of reliance on primarily the professional code, in the absence of strong organisational rules and norms.

In both types of dilemmas, organisation Beta had the highest mean scores in Independence. In the assessment of ethical climates there was no significant difference in this dimension. Organisation Beta however, is considered a clan organisation and as such it is expected to promote Independence as well as Caring.

People from all organisations are more likely to rely more heavily on benevolence (Caring) in the dilemmas of high complexity and difficulty and less on egoism (Instrumental). This finding supports the assertion that increased moral intensity (Jones, 1991) is likely to lead to the activation of moral reasoning.

In organisation Gamma the same number of respondents relied on Independence for both low and high complexity and difficulty dilemmas. In organisations Alpha and Beta, the number of people declined in the high complexity and difficulty group. This suggests that the task autonomy provided to people in organisation Gamma and the lack of a strong organisational climate enables them to rely more on their personal values in both categories than is the case in the other organisations. They did however relied on it to a lesser extend in the high difficulty and complexity group, as indicated by the mean values.
Following the analysis of the coding to the ethical dilemmas in terms of ECQ dimensions, the same process was undertaken to find out how the dilemmas were resolved in terms of idealism and relativism (see Table 8.15).

Table 8.15
Organisational Dilemma Codes - Individualism and Relativism*

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>Total</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
<th>ANOVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>CODE</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>(Scheffa)</td>
</tr>
<tr>
<td>IDEALISM</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>F=3.09</td>
</tr>
<tr>
<td>Low</td>
<td>951</td>
<td>283</td>
<td>365</td>
<td>283</td>
<td>P=0.05</td>
</tr>
<tr>
<td>complexity/difficulty</td>
<td>10.23</td>
<td>9.16</td>
<td>11.77</td>
<td>9.77</td>
<td>(β &gt; α, γ)</td>
</tr>
<tr>
<td></td>
<td>4.45</td>
<td>3.85</td>
<td>4.45</td>
<td>4.74</td>
<td></td>
</tr>
<tr>
<td></td>
<td>93</td>
<td>32</td>
<td>31</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>RELATIVISM</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>F=6.76</td>
</tr>
<tr>
<td>Low</td>
<td>1516</td>
<td>552</td>
<td>446</td>
<td>518</td>
<td>P=0.00</td>
</tr>
<tr>
<td>complexity/difficulty</td>
<td>16.30</td>
<td>17.25</td>
<td>14.39</td>
<td>17.27</td>
<td>(α,γ &gt; β)</td>
</tr>
<tr>
<td></td>
<td>3.76</td>
<td>3.45</td>
<td>3.60</td>
<td>3.30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>93</td>
<td>32</td>
<td>31</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>IDEALISM</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>F=4.49</td>
</tr>
<tr>
<td>High</td>
<td>892</td>
<td>242</td>
<td>329</td>
<td>321</td>
<td>P=0.01</td>
</tr>
<tr>
<td>complexity/difficulty</td>
<td>9.59</td>
<td>7.56</td>
<td>10.61</td>
<td>10.70</td>
<td>(β, γ &gt; α)</td>
</tr>
<tr>
<td></td>
<td>4.91</td>
<td>4.72</td>
<td>4.53</td>
<td>4.95</td>
<td></td>
</tr>
<tr>
<td></td>
<td>93</td>
<td>32</td>
<td>31</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>RELATIVISM</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
<td>F=2.16</td>
</tr>
<tr>
<td>High</td>
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<td>574</td>
<td>493</td>
<td>502</td>
<td>P=0.12</td>
</tr>
<tr>
<td>complexity/difficulty</td>
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<td>17.94</td>
<td>15.90</td>
<td>16.73</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.86</td>
<td>3.84</td>
<td>3.64</td>
<td>3.96</td>
<td></td>
</tr>
<tr>
<td></td>
<td>93</td>
<td>32</td>
<td>31</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>TOTAL NUMBER OF DILEMMAS</td>
<td>188</td>
<td>183</td>
<td>179</td>
<td></td>
<td></td>
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<tr>
<td>MISSING</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The sums were calculated by adding the codes to the three dilemmas in the low complexity and difficulty category. As a result the maximum mean value possible is 21 (3x7).

The analysis of the ethical ideologies of respondents (see Table 7.6) did not reveal any significant difference between the three organisations. As a result, if
the ethical climate of the organisation does not affect ethical decision-making; there should be no difference in terms of idealism and relativism between the organisations.

In the dilemmas with low complexity and difficulty, organisations Alpha and Gamma were lower in Idealism and higher in Relativism in comparison to organisation Beta. In the dilemmas with high complexity and difficulty, organisation Alpha scored lower in Idealism than organisations Beta and Gamma and higher in relativism. Organisation Gamma showed an increase in Idealism in the high difficulty and complexity dilemmas and a reduction in Relativism in comparison to the low complexity and difficulty scores.

In the low complexity and difficulty group, the Scheffe test revealed that organisation Beta was significantly higher in Idealism and significantly lower in Relativism than organisations Alpha and Gamma. In the high complexity and difficulty category, organisations Beta and Gamma were significantly higher in Idealism, with no significant differences found between organisations in Relativism.

In the high complexity and difficulty dilemmas, respondents from the three organisations relied heavily on Relativism to justify their decisions. Overall, respondents from all organisations relied on Relativism to resolve all dilemmas, but organisation Beta showed the least variability between Idealism and Relativism.
These findings indicate that despite the similarity in ideologies as measured by the EPQ and presented in Table 7.7, the resolutions to the dilemmas differ across the organisations. This indicates that the organisation may influence the decisions made.

8.2.2 Personal Dilemma Justifications

As was the case in the organisational codes, the means of each reasoning in the personal codes are quite low, indicating that there is no dominant type of reasoning and that respondents used more than one type to justify their decisions. The personal dilemmas reveal some interesting findings. In terms of the question addressed in this research, the justifications to the dilemmas should not be related to the ethical climate of each of the organisations.

However, organisation Alpha, in the low difficulty and complexity personal dilemmas, has the highest number of respondents (n=18) and the highest mean (M=7.78) in Law and Code (see Table 8.16) and the only respondents who used Rules justifications. Organisation Beta has the highest number of respondents (n=30) who used Caring reasoning.

Organisation Gamma has the highest number (n=25) and mean (M=8.84) in Instrumental reasoning, while organisation Alpha has the larger mean (M=6.22) in Independence (individual principle reasoning) and organisation Beta the highest number of respondents (n=22).
Table 8.16
Personal Dilemma Reasoning Codes - Low Complexity and Difficulty*

<table>
<thead>
<tr>
<th>CODE</th>
<th>Total</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sum</td>
<td>Sum</td>
<td>Sum</td>
<td>Sum</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Mean</td>
<td>Mean</td>
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<td>SD</td>
<td>SD</td>
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<tr>
<td></td>
<td>n</td>
<td>n</td>
<td>n</td>
<td>n</td>
</tr>
<tr>
<td>Caring</td>
<td>647</td>
<td>175</td>
<td>295</td>
<td>236</td>
</tr>
<tr>
<td></td>
<td>8.09</td>
<td>7.04</td>
<td>7.83</td>
<td>9.44</td>
</tr>
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</table>

* The sums were calculated by adding the codes to the three dilemmas in the low complexity and difficulty category. As a result the maximum mean value possible is 21 (3x7).

Organisations Alpha and Beta relied most heavily on Independence to resolve these dilemmas while organisation Gamma on Caring. The least used reasoning, excluding Rules which was only used in two dilemmas in
organisation Alpha, was Instrumental in Alpha, and Law and Code in Beta and Gamma. These findings when they are contrasted with the equivalent group of organisational dilemmas, where the Instrumental reasoning was dominant, indicate the possible impact of the organisation on persons' decisions and judgements.

In the high complexity and difficulty grouping, there is less variability between the organisations (see Table 8.17). All respondents apart from one from organisation Gamma used Caring to justify these dilemmas, while very few used Rules to do so.

Organisation Beta had the lowest number of respondents and mean ($M=3.93$) in Instrumental justifications. It also had the highest mean in Caring ($M=12.61$). In terms of Independence, organisation Beta had the greatest number of respondents that used personal values to justify their resolutions ($n=22$) but organisation Alpha had the greatest intensity ($M=6.22$).

In this category of dilemmas, overall, the most significant reasoning is Caring in all organisations, and the least significant Rules. Comparing the low and high complexity and difficulty coding classifications (see Tables 8.16 and 8.17), an increase in Caring and a reduction in Independence and Instrumental types of reasoning is evident in all organisations. This indicates that as the complexity and difficulty of personal dilemmas increased, people emphasised the effect of the resolution on other persons more in their justifications.
**Table 8.17**  
**Personal Dilemma Reasoning Codes - High Complexity and Difficulty**

<table>
<thead>
<tr>
<th>CODE</th>
<th>Total</th>
<th>Alpha</th>
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<th>Gamma</th>
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<td></td>
</tr>
</tbody>
</table>

*The sums were calculated by adding the codes to the three dilemmas in the low complexity and difficulty category. As a result the maximum mean value possible is 21 (3x7).

In the Idealism and Relativism codes (see Table 8.18), most people relied on Relativism to justify both the low and high complexity and difficulty.
Respondents were less reliant on idealism for the high complexity and difficulty dilemmas and more reliant on relativism.

Table 8.18
**Personal Dilemma Codes - Idealism and Relativism**

<table>
<thead>
<tr>
<th>ORGANISATION</th>
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<th>Gamma</th>
<th>ANOVA</th>
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<td>Mean</td>
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<td>SD</td>
<td>SD</td>
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<td>(α, β &gt; γ)</td>
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<td>(γ &gt; α)</td>
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<td>(α &gt; γ)</td>
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<td>1</td>
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</tr>
</tbody>
</table>

* The sums were calculated by adding the codes to the three dilemmas in the low complexity and difficulty category. As a result, the maximum mean value possible is 21 (3x7).

In the low complexity and difficulty personal dilemmas, organisations Alpha and Beta, had a significantly higher Idealism orientation. Organisation Gamma for the same category of dilemmas has a significantly higher Relativism orientation.

In the high complexity and difficulty group, the lowest Idealism score was found in organisation Gamma. In the high complexity and difficulty group, there were
no significant differences in Relativism, which was the most relied upon reasoning.

These findings indicate that in resolving personal dilemmas, people from all organisations generally rely on Relativism. That reliance increases as the complexity and difficulty of dilemmas increases. This may be an outcome of the increased concern for the effect that more complex and difficult dilemmas may have and the need people feel to address it, instead of presenting a principle or value as they are more likely to do in the low complexity and difficulty dilemmas.

8.2.3 Summary of Dilemma Justifications

Comparing the personal and the organisational codes, in the low complexity and difficulty category, Caring was a lot more important for more people in the personal dilemmas than in the organisational dilemmas. As should be expected, Rules were almost absent in the low difficulty and complexity personal dilemmas, apart from the two people from organisation Alpha who used it, and the least used reasoning in the high difficulty and complexity personal dilemmas. Both the number of people and the intensity of the instrumental reasoning are also reduced in all organisations in the personal dilemmas.

In the high complexity and difficulty dilemmas, the greatest difference is perceived in the increased importance of Caring in the personal dilemmas and the reduced importance in the Rules dimension. Rules and Law and Code
provide principles from an external source, while Caring and Independence are more likely to rely on the self to guide behaviour.

Comparing the Idealism codes for low and high complexity and difficulty organisational and personal dilemmas (see Tables 8.15 and 8.18), people from organisation Alpha were the only ones with higher Idealism based justifications in the personal dilemmas in both low and high complexity and difficulty categories. Organisations Beta and Gamma actually showed less reliance on Idealism in the personal dilemmas compared with the organisational dilemmas and more on Relativism. Organisation Gamma actually had the lowest Idealism means in both low and high complexity and difficulty categories.

8.3 QUALITATIVE ANALYSIS OF DILEMMAS

In addition to the analysis performed based on the codification and quantification of the ethical dilemmas, qualitative analysis was also undertaken using the QSR NVivo version 1.2 program. Ezzy (2002) clarifies that qualitative computer programs make qualitative analysis more efficient but they only offer assistance in the analysis of qualitative data. In this research, QSR NVivo was found useful in grouping and selecting responses and themes, but as is the case with all qualitative analyses, the researcher determined them. So the benefit of having open ended questions and thus limiting the imposition of the researcher’s reality in the selection of resolutions (Marshall & Dewe, 1997) is resurfacing as an issue in the analysis of qualitative data, because it is based on the researcher’s reality and perception, since it is the researcher who determines the categories.
To limit this phenomenon, a number of explorations were undertaken with certain themes and groupings of both suggested reasoning and responses. Some of the groupings made did not appear to be as evident in the data as it was thought initially and were thus excluded. Others developed after several readings of the responses and were created. So, even though the researcher affects the analysis, it is primarily determined by the data.

To limit the researcher's effect, Witmer's (1997) advice was followed and the qualitative analysis was based on internal cohesiveness rather than the creation of clusters around predetermined categories. Data was included into emerging categories during reading the responses and its computerised examination. Some of these categories emerged, were found to be of high significance. The clusters that emerged address common themes that developed within and between the three organisations.

The program QSR NVivo enabled the researcher to create nodes that represented clusters of reasoning. It also enabled the exploration of the responses to the dilemmas in terms of common themes that were represented by common word usage such as role, choice, ethics etc. QSR NVivo also enables the measurement of characters and words in each cluster, but for the purposes of this research that was not considered necessary as the responses to the dilemmas were quantified through their coding. The number of words or letters was not of importance but the occurrence of certain rationale and reasoning.
The clusters that developed as the researcher transcribed, coded and read the responses to the dilemmas that are relevant to the questions addressed in this research are: character and virtue, sleep at night, role objectives, not one’s job, and way of doing business.

A summary of these clusters is presented in Table 8.19. The first two clusters represent self-initiated reasons that appeal to one’s conscience and character, while the last three are external and provide reasons people use in order to deal with mainly their organisational membership.

Table 8.19
Clusters of Case Dilemma Responses

<table>
<thead>
<tr>
<th>CLUSTER</th>
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<th>Total</th>
<th>Alpha</th>
<th>Beta</th>
<th>Gamma</th>
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<tr>
<td>Character and Virtue</td>
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<td>9</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>Sleep at Night</td>
<td></td>
<td>13</td>
<td>5</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Role Objectives</td>
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<td>55</td>
<td>15</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Not One’s Job</td>
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<td>37</td>
<td>21</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Way of Doing Business</td>
<td></td>
<td>19</td>
<td>11</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

These clusters indicate that of the total responses, organisation Alpha respondents emphasise more the organisational issues of role objectives, not one’s job and way of doing business (77%) and less the personal ones (23%) of
character and conscience. In organisation Beta that is reversed and the responses relate primarily to conscience and character (58%) and less to organisational issues (42%). Organisation Gamma has the least percentage of personal issues (11%) and the greatest of organisational issues (89%). Based on these clusters, responses from the clan organisation are more likely to refer to internal or personal orientations, followed by the bureaucratic and the market organisation. The majority of the references to these clusters occurred in the organisational dilemmas. These clusters will now be presented and analysed further.

8.3.1 Character and Virtue

One of the important clusters developed, was the reference to character and virtues such as integrity, honesty, credibility, trustworthiness etc. In this node, there were 9 references from organisation Alpha, 29 from organisation Beta and 4 from organisation Gamma.

This was an interesting finding because it indicates the importance of character and consistency of character in organisation Beta in particular and to a lesser extent in organisation Alpha, and almost its absence in organisation Gamma. In organisation Beta, there are a number of cases that indicate almost a fear of doing something dishonest or unethical in case it becomes a habit or a character trait. These responses were found mostly in the personal dilemmas. Some indicative examples are:

If Stan does not own up he could be tempted to steal again.

If can’t be trusted in little things, can’t be trusted in bigger ones. At the end of the day those issues become one’s peace of mind. If one takes $50 this way, next
time another issue becomes bigger and bigger and one loses one's self respect. It is having a clear conscience and self respect and peace of mind.

Small acts of dishonesty grow when left unchallenged.

This was a phenomenon in organisation Beta. In organisation Gamma the references to character were mostly in the organisational case about the supervisor who takes the credit for someone else's work and refer to the consistency of such behaviour.

In organisation Alpha, integrity in the organisational and personal dilemmas was addressed. In the personal dilemmas, it was about keeping extra money that was given by mistake such as:

Stan can hide the truth from everyone except himself. He will have to live with his dishonesty forever and can never honestly declare his 'honesty' or integrity.

In the organisational dilemma it was about accepting money for research that had conditions attached that could affect the nature of the findings, and referred to the integrity of the organisation, such as:

Also, if word got out that the organisation was paying bribes their integrity would be greatly diminished.

In organisation Beta it was also evident that some people believed that if the person facing the dilemma did not behave in accordance with one's conscience, the consequences will be severe:

The reason I have made this decision is because it could come back to haunt Helen if she hasn't compiled a report that provides all the facts. I also think it is important that you be true to yourself when carrying out a role.

If Chris just wants a job, than go with the flow, but as a committed scientific researcher with moral and ethical beliefs and philosophies, a strong career conscience, then he should withdraw, stating strongly his reasons and seek fulfilment elsewhere. You cannot sit on the fence, particularly in this field of activity. Once you have sold yourself you are then a prisoner with no principles. This deal would no doubt be quickly exposed and Chris' future would be jeopardised as a co-conspirator.
In relation to the questions asked in this research, these findings indicate that people from organisation Beta are more likely to consider personal character and integrity in making decisions in both their life at work and away from it.

8.3.2 Sleep at Night

The theme of sleeping at night or having peace of mind, unlike the previous themes that were found primarily in the organisational type dilemmas, was also used almost equally in the personal dilemmas.

This theme was evident five times in organisation Alpha and seven in organisation Beta, but only once in Gamma. In organisation Alpha it was evident in two personal and three organisational dilemmas. In organisation Beta in three organisational and four personal, and in Gamma in one organisational dilemma. The responses in organisation Beta use stronger language than in organisation Alpha and refer to individuals who would be haunted if they do what the respondent considers wrong:

- Otherwise it will come back to haunt her.
- ...hand it back, so she can live with herself.
- ... if you are fearful of retribution by being honest it will haunt you. Difficult confrontation can be realised without succumbing to retribution and judgement.

In organisation Alpha, peace of mind and the effect on conscience is used:

- ... and if nothing else have personal peace of mind that he has done the right thing.
- If he feels he can't go with the majority decision he will need to seek new employment for his own continued piece of mind.
- Avoid moral dilemma later on.
- I believe that if she refused to pay and the people died, it may affect her credibility and it would certainly affect her conscience.
8.3.3 Role Objectives

References to doing one's job or fulfilling the requirements of the role and position were numerous in the three organisations. As expected, the majority of the references to roles and role-based obligations were made on the organisational dilemmas. A total of 55 such references were made.

Role objective references in organisation Alpha were made for the first dilemma (13) and the third dilemma (2). The emphasis was on the role of an analyst to provide an unbiased analysis based on facts. The main perspectives covered in organisation Alpha are included in the following responses:

- Her role is to present an honest assessment which should be both options.
- As she does not set policy and is simply employed as an analyst-planner she should do the job she is employed to do.
- She is working for a public office and she is effectively making decisions on the public's behalf, so ethically she should be honest.
- Upper management may not want this option but she should not sell her soul to satisfy them when the whole organisation requires her to make the right decision.
- Being a government agency she should provide a detailed report with all options and leave it to management to remove the section they don't like.
- Helen's role/responsibility within the organisation is to identify all the issues and make honest and open and transparent recommendations of her findings regardless of the expectations of upper management.
- By becoming a 'rubber stamp' bureaucrat she undermines her own role and lowers her value to the organisation.

In organisation Beta there was more diversity of role fulfilment references.

However as in organisation Alpha, most references to role objectives and fulfilment were made in the first dilemma (10). References were also made in dilemma two (1), three (4) and four (5).

Interestingly, in the fourth dilemma, which was about the acceptance of the incompetent employee, the acceptance of the employee and the responsibility
of his performance are considered a part of the job of a manager in this organisation.

Take him and manage the employee and their performance appropriately. Don't avoid the poor performance as other supervisors before have done.

Or part of the role includes resolving the issue:

Unless she is prepared to do these interventions the incompetent employee problem will continue to be handballed on rather than resolved.

This was dissimilar to the other two organisations, where the dilemma was resolved primarily in terms of egocism at the local level, that is, do what will benefit the department and thus its manager.

In organisation Gamma, the references to role objectives were made in dilemma one (16), dilemma three (3) and dilemma five (1). In dilemma one, the responses focused on meeting the requirements of the role, by following the rules and regulations. Responses also mention the requirements that need to be fulfilled by a professional, which is something that is not evident in the other organisations, and partially explains the high Law and Code ratings reported in the previous section.

- She doesn't set policy at her level. By leaving one of the options, she would be making a de facto policy decision. The decision to omit one option from the report, if made at all, should only be made by a higher-level staff member.
- She is a professional, she should be as professional as possible when looking at the facts and doing her analysis.
- She should act independently and objectively. As a professional person she has ethical and moral obligations to others including outside and inside stakeholders.
- Follow the rules and regulations. In a practical situation these are modified anyway.

The references to role objectives are similar in the three organisations in terms of the main use in dilemma one, and doing one's job properly. The differences
however lie in the use of this rationale in more dilemmas by respondents of organisation Beta, and the references to professionalism in organisation Gamma.

8.3.4 Not One’s Job

These responses relate to references that rely on the definition of one’s job or position and exclude anything that is outside that definition. This was an interesting finding because it supports the notion that the role defines the behaviour to a large extent, and individuals may not engage in issues that they do not consider part of their role.

The number of references to responses and justifications that rely on avoidance of the decision making capability because the task or decision did not fall within the role of the person facing the dilemma varied greatly between the organisation. Organisation Alpha had 21 such cases and they all involved organisational dilemmas. These instances were also addressed earlier in the resolution to the dilemmas section. Organisation Beta had 5 such cases, and three of those involved organisational dilemmas. Organisation Gamma had 11 and they all involved organisational dilemmas.

Organisation Alpha responses can be categorised into two groups. One group relies on the role or job definition to avoid the responsibility of decision making.

Chris’ position is junior in the company and he is not able to influence the outcome
The other group bases its rationale on the responsibilities of others that have not been fulfilled and justifies the avoidance of decision making on that. For example:

- It is not her decision as to whether or not “security fees” should or should not be paid, and the pressure should not be placed on her in her position.
- Because you should not have to take the other person’s problems.
- The organisation should sort out the problem.
- Should not have to accept unsuitable employee and department head should not place Katherine in that position.
- It’s Anne’s job to aid the refugees. It’s her organisation’s job to make sure she gets to the refugees. The organisation should be dealing with the security fee problem.
- It is not her problem
- Is it her job to employ incompetent members?
- Because this sort of decision should not fall on Chris’s shoulders.
- It is not her role to mentor incompetent employees.
- She is an accountant not an HR expert.
- It probably wouldn’t be Chris’s decision but, the funding should be accepted

In organisation Beta, the two personal cases referred to the father not having a responsibility to disclose the brother’s refusal to the daughter. The organisational cases in organisation Beta were:

- This is not Phil’s concern. Phil does not need to get involved in this matter.
- She should obey the section head and place the person in a suitable job. It is not Katherine’s prerogative to make a decision on the placement of staff.
- As an undergraduate it is Chris’ responsibility to identify the issues and then contribute to the decision making. I take it was not Chris who was to make the final decision, therefore it is the process of ensuring issues raised are taken into account and influencing final decision, but it is not Chris’ decision to make.

Organisation Gamma’s responses were more explicitly based on individual interest (egoism). This finding lends some support to the instrumental climate of this organisation at the individual level and the possibility of moral anomaly.

- Mid-level bureaucrat leave decisions which may backfire to someone further up the scale.
- Not Phil’s position / problem at all - but could inform colleague of the situation
- Chris does not have any say. If the organisation accepts the money and it is against Chris’s firm option he should then consider his position. It is not his decision.
• This is outside of Chris' control and not something he needs to make a
decision about until management have decided whether to accept the
support from the polluting organisation.
• Because the determination of which option is 'the best' isn't hers to make.
• Raise the issue in writing with her supervisors. To push the decision higher.
• It is not her role to solve these problems she is a care giver, others must
address this issue.
• Suggest that the problem be handled by the HR department.
• The HR dept is a support section of the organisation that is responsible for
issues on employment. In doing so, Katherine can concentrate on the
primary responsibilities of her dept.

The responses from organisation Alpha and Gamma indicate that people are
more likely to narrowly define their role and responsibility.

8.3.5 Way of Doing Business

Another cluster that developed and is related to the previous one, is that's how
business is. This group is similar to the previous one, in that most responses
that fit into this grouping are found in organisation Alpha (11), followed by
organisation Gamma (7), and only one response from organisation Beta. In this
grouping the references to local culture in organisational dilemma, three were
excluded because they do not reflect the meaning of the other responses of
that's how business is and it happens all the time in business.

In organisation Alpha most responses indicate that the way of doing things
includes superiors taking credit for the work of subordinates

• People should never take the credit for the work of others. Unfortunately this
happens all too often in many organisations.
• Phil cannot do anything to challenge the supervisor
• Phil's supervisor is in a position of authority over him and no matter whether
he is right or wrong he will not accept being challenged by a subordinate in
front of the department reps.
• Unfortunately this happens all too often in many organisations.
• Look, everyone knows that one of the perks of management is being able to
'share' the credit of your subordinates work now and again.
• Does this ever happen? Or is this part of the criteria of a merit based
promotional system.
• It happens all the time!
In organisation Beta, the only response that referred to this grouping was in organisational dilemma two: ‘To be fair to the buyer – BUT of course this is often not the case’.

In organisation Gamma, as was the case in organisation Alpha, most of the occurrences of this variable were in the organisational dilemma six, about the supervisor.

- Not worry about it too much.
- Happens very often. Mustn’t be turned into a disaster for working relations.
- ...not attend such meetings because these things are a norm in many businesses.
- In business/work we spent a lot of time together people find out a person’s character etc without the need for direct confrontation.
- Grin and bear it. It happens everyday.

Other responses from organisation Gamma that indicate how its respondents feel about business and the business system include:

- In the system things happen their own way. One employee severely makes a difference. Or Chris can bear it, work, find an alternative placement and leave.
- Is it a long term customer? Are there likely legal ramifications etc? It is basically a business decision not an ethical issue.

This last response is the epitome of this research and the anomaly that it explores. It refers to the second dilemma of knowing about a product fault and whether the client ought to be advised.

8.4 SUMMARY

Overall, the main distinction between the organisational and personal decisions is that the organisational dilemmas were not necessarily perceived as addressing ethical issues, unlike the personal ones. The personal dilemmas
regardless of degree of complexity and difficulty or the resolution suggested, were not in any organisation described as dilemmas that did not involve ethics, unlike some business dilemmas, which were described as business issues not ethical issues.

Another difference between organisational and non-organisational type of dilemmas was that in the former, respondents especially from organisation Alpha would make the decision not to make a decision and evade the exercise of moral judgement. That phenomenon was not found in any personal dilemma response in any of the organisations. In contrast in the personal dilemmas and in particular in organisations Alpha and Gamma, respondents reported that only the person facing the dilemma could resolve the dilemma. This type of response was not found in any of the organisational dilemmas.

These findings indicate that there appears to be a perceived distinction between organisational and non-organisational ethical dilemmas. In organisational dilemmas it is more likely that people will avoid making the decision and try to avoid the responsibility for the decision. In addition, respondents characterised some organisational dilemmas as void of any ethical issues. That was not the case with any non-organisational dilemmas.

Beyond these general differences between organisational and personal dilemmas, more specific disparities were noted between the three organisations. Respondents from organisation Alpha were more likely to rely on rules and the law in both types of dilemmas but more so in the organisational ones. This reliance on the external nomos also justified the
characterisation of dilemmas as void of ethics because there are laws or organisational policies that address them. This finding supports the notion that the organisational climate affects ethical decision making in the organisational context and surprisingly there is an indication that it may also spill into the personal context as well. So it can be said that people do not ‘just do their job’ and then live their own lives, but their job and the values of the job permeate their lives.

Respondents from organisation Beta were more likely to use a Caring justification for both types of dilemmas. They did not perceive any dilemmas, organisational or personal, as not involving ethics and were less likely to rely on the law or organisational regulations to resolve the dilemmas.

Organisation Gamma had the most instrumental orientation in the resolution of both types of dilemmas. As outlined in Chapter 6, organisation Gamma was perceived as a market organisation and it was expected to have an instrumental climate. In the analysis of the ethical climate of each organisation reported in Chapter 7, this organisation was not found to be significantly more instrumental than the others. The resolutions to the dilemmas however, indicate that respondents from this organisation are more likely to be egoistic, primarily at the individual level for both types of dilemmas. Respondents appear to be more concerned for their personal well being and not use their capacities to do good for anyone else.

This finding provides some support for the need of the community and the sense of community in organisations, which appears to be lacking in
organisation Gamma. Community also implies responsibility for the other either by accepting the rules of the community as appears to be the case in organisation Alpha or by being benevolent to the other, the fellow-human (synanthropos), as is the case in organisation Beta. As a result we find more cases of philanthropy from respondents in organisation Beta, in both types of dilemmas.

Finally, in organisation Beta, a stronger internal orientation based on conscience was found, than in organisations Alpha and Gamma, which had a stronger external orientation. In organisation Alpha, this reflects the strong organisational emphasis on the organisational role structures and tight job design, while in Gamma it reflects its instrumental culture.
9.1 AN OVERVIEW

Moral autonomy was examined in the early chapters. It was established that for persons to remain persons, the most important condition is to remain morally autonomous. Moral autonomy is the prerequisite for moral agency, which provides positive freedom and responsibility for persons. Despite the divergence of views and opinions from different disciplines, a general agreement was identified that moral autonomy is valuable, necessary and a preferable mode of being than heteronomy and anomy. Consciousness and reasoning are necessary criteria for autonomous morality. Moral autonomy is the capacity to reason well and as such the possibility of a morally autonomous unethical decision does not exist.

Moral autonomy is restrictive and it imposes obligations towards principles and people, to use Sharp-Paine’s (1996) terminology, but these obligations are self-imposed. What makes them imposing however is not their source but the fact that they have been validated personally (Chandler, 1999). Rest et al. (1999) describe the difference between autonomous and heteronomous morality as that between the self-initiated, agentic side of morality and the external, conforming side of morality.

Beyond the ontology of persons, the ontology of organisations was also examined. This discussion clarified the point that if we cannot accept organisations as moral persons, we do accept them as contexts in which
people exercise their morality. The impact of the context upon persons was examined, and it was argued that organisations that do not include ethical values in their culture are more likely to promote personal behaviour that is congruent with their culture.

The viewpoint that to be an individual requires the courage to follow one's conscience and defy unethical and/or unreasonable authority (Tillich, 1952) suggests that individuals can retain their moral autonomy regardless of context and roles. This is similar to MacIntyre's (1999) prescription for constancy and integrity regardless of context and role. In contrast to Tillich, however, Beadle (2002) explains that for MacIntyre (1995), the solution is not to enable virtuous individuals to overcome vicious institutions, but in virtuous individuals to resist vicious institutions.

However, to be an individual in an organisation that only perceives its role and objectives in instrumental terms may require more than courage, it may require superhuman capacities and herculean strength. It may even be impossible because, as Wicks (1996) explains, our action is limited by what we conceive as relevant and viable in a given context. To behave morally, it is necessary to think morally. Moral thinking, argues Sharp-Paine (1996), is needed by managers not only because it is the right thing to do but also because it strengthens organisations and contributes to their performance.

In organisations, an autonomous moral decision may not necessarily be more ethical than a heteronomous decision. An organisation that has individuals who are capable and allowed to exercise moral autonomy, however, is more likely
not to need to implement and develop ethics and ethical codes. An autonomous decision-maker is likely to use ethical reasoning to make ethical decisions, so the organisation does not need to control him to ensure such behaviour. Snell (2000) proposes that organisations that have a moral ethos that corresponds with the higher level of Kohlberg's CMD, the autonomous level (see Table 2.1), will experience a comprehensive reduction of ethical dysfunctions. The heteronomous decision maker will rely on the organisation for values and guidance, while the anomalous decision will be perceived as a decision that does not involve ethics and ethical reasoning.

This research sought to examine how organisations affect the moral autonomy of persons. Moral autonomy was considered the most important characteristic of persons and ethics, because it is through moral autonomy that we can have morality. Moral autonomy is also something that we cannot surrender nor can it be extracted from us, as it was explained in terms of moral agency and moral personhood. However, organisations affect our capacity to be morally autonomous, because we do not have the strength or capacity to exercise our autonomy. As a result, it was assumed that different types of organisations would affect moral autonomy, and lead to heteronomy or anomy.

The conceptual model (Figure 5.1) was developed from this premise. It proposed that organisations that are inconsistent with the values of society, and do not perceive their activities in a realm that is contained in, and defined by, ethics, are more likely to lead to moral anomy. Moral anomy is perceived as the most terrifying position, because it excludes moral deliberation.
Organisations that define and live in wholly egoistic terms, it was assumed, would be more likely to have incidents of moral anomy.

Organisations that are congruent with society's values are more likely to lead to moral autonomy or moral heteronomy. Moral autonomy, enables people to remain persons and not be non-persons in roles. Moral heteronomy on the other hand, is an outcome of the organisation's attempts to prescribe moral behaviour.

The findings of this research are not based primarily on extensive statistical analyses, because such analyses, it was felt, will reduce the richness of the questions asked and the solutions found. However, what was considered sufficient statistical analysis was undertaken primarily to define a framework for the qualitative analysis. The most important findings, discussed in the following section, result from the qualitative data that provides impressions of possibilities rather than scientific conclusions. This is in line with MacKenzie's (2001) view that statistical methods that assume independence in organisations prevent not only the measurement of organisational phenomena but even the ability to envision them.

9.2 ANALYSIS OF FINDINGS

The research findings reported in Chapters 7 and 8 indicate that organisations effect the ethical decisions of people working in them. Looking at the research propositions presented in Chapter 5, the analysis of the dilemmas revealed that:
1. People from the three organisations were more likely to rely on Caring, which is based on benevolence, in the resolutions of the personal dilemmas than in the organisational dilemmas. Independence was also relied on more in the low difficulty and complexity personal dilemmas than the organisational dilemmas. In the high difficulty and complexity personal dilemmas people relied mostly on Caring.

2. In organisation Alpha, which is a bureaucratic organisation, people were more likely to use instrumental reasoning in the low complexity and difficulty dilemmas, indicating that people judge these types of dilemmas in terms of benefit for themselves or the organisation. This supports the proposition that these types of dilemmas will not be addressed in ethical terms but rather in egoistic terms, thus leading to anomy. In the high complexity and difficulty organisational dilemmas, people relied more on Caring, Rules and Instrumental reasoning. It is thus not clear whether people were deciding heteronomously as the proposition suggested.

3. Organisation Beta had a Caring climate but not a significantly different Independence climate, indicating that it has some characteristics of a clan type organisation. In the low complexity and difficulty organisational dilemmas, people relied primarily on Instrumental, Independence and Rules reasoning. This implies that the organisational well being was a primary consideration, as were the organisational Rules. In the high complexity and difficulty organisational dilemmas, more people were likely to rely on caring and independence, which indicates that people were more likely to rely on their ethical values and benevolence. Generally, more people in this
organisation were more likely to rely on their personal ethical values to resolve dilemmas, indicating that people are more likely to exercise moral autonomy.

4. Organisation Gamma was not an ideal type market organisation based on the way its ethical climate was perceived by its members. The resolutions to the ethical dilemmas however suggests that people in this organisation are most likely to rely on instrumental reasoning to resolve low complexity and difficulty organisational dilemmas. In the high complexity and difficulty category, people relied mostly on Law and Code, Caring and Instrumental reasoning. This suggests that moral anomy is more likely in the former category and heteronomy in the latter.

The quantitative part of the analysis indicates that organisations can possess distinct ethical climates (see Tables 7.4 and 7.5). This climate based on the philosophical, psychological and sociological disciplines examined in Chapter 2, and reflected in the Ethical Climate Questionnaire, can emphasise principled, benevolent or egolistic values. In the three organisations examined in this research it was found that organisation Alpha had a stronger climate in Law and Code and Rules. These two dimensions are based on a principled orientation at the local and cosmopolitan levels (see Table 6.1). Organisation Beta had a stronger Caring climate that is based on benevolence, at the individual, local and cosmopolitan levels. Organisation Gamma was not found to be significantly stronger than the other organisations in any dimension of the ECQ and based on the previously reported findings, it had a weaker climate in Rules, Law & Code and Caring.
In terms of ethical ideologies, the people from the three organisations were not found to have any significant differences in terms of idealism and relativism either in terms of scores (see Table 7.6) or in terms of high and low idealism and relativism dimensions (see Table 7.7). They were however found to have differences in terms of the ethical ideology matrix (see Table 7.8 and 7.9). In this analysis of the high and low dimensions that resulted in the creation of the four-part ideology matrix, a moderate relationship between ethical ideology and organisation was found. The degree to which the organisation has affected these ethical ideologies or whether people with different ideologies are attracted to the different organisations cannot be assessed in this research. However the fact that the ideologies do not correspond with the ethical climates or the dilemma justifications suggests that the context of the issue and the nature of the issue itself have a greater impact on ethical decision making.

The analysis of the ethical dilemmas, presented in Chapter 8, indicates that the reasoning used to resolve them differs between the three organisations. In the organisational dilemmas of low difficulty and complexity it was found that more people are likely to rely on egoism to justify the resolutions to the dilemmas in the three organisations, as represented by the Instrumental code. However, people from organisation Beta relied less on Instrumental reasoning than people from the other organisations. It was also found that people from organisation Beta relied more heavily on Independence, their personal moral values, to resolve these types of dilemmas. These findings suggest that people in organisation Beta were more likely to exercise moral autonomy.
findings were established in the high complexity and difficulty organisational dilemmas.

In the personal dilemmas, of both low and high complexity and difficulty, respondents from organisation Alpha relied more heavily on Independence. This indicates that in personal dilemmas, people from this organisation differed in the reasoning they used to resolve them and did not rely on Instrumental reasoning. This was the case also with organisational decisions.

More importantly, however, some people in organisations Alpha and Gamma did not perceive some organisational dilemmas as ethical issues. This is an indication of moral anomy. In addition, people from organisation Alpha in particular would try to avoid making a decision and suggest that someone else in the organisation should make the decision not the person facing the dilemma.

In the organisational dilemmas, people from all organisations are more likely to rely on Instrumental reasoning, and especially in the low complexity and difficulty group. These findings were more prevalent in organisations Alpha and Gamma. This can possibly be explained by the lack of moral reasoning in those types of dilemmas in organisations that do not emphasise concern for others, as measured by the Caring code, or reliance on personal ethical values.

In the high complexity and difficulty organisational dilemmas, there was a reduction in the reliance of Instrumental reasoning and an increase in Caring in all three organisations. This indicates that people are more likely to resolve
more complex and difficult dilemmas by relying more on benevolence, rather than egoism. This finding supports the importance of moral intensity (Jones, 1991) in the identification of ethical issues. The differences in the resolutions between low and high complexity and difficulty suggest that moral reasoning is more likely to be activated in the high complexity and difficulty category (Jones, 1991).

People from organisation Alpha that has a Law and Code, and Rules climate are more likely to do what the organisation is expecting of them, or relinquish their decision making to the organisation. They are thus less able to behave autonomously in moral terms. The organisation that relies on rules, regulations and the law in this research, is more likely to hinder moral autonomy, and lead to the avoidance of decision making and personal responsibility for decisions. It was also found that in organisations Alpha and Gamma people were more likely to consider ethical decisions as morally neutral, considered in terms of personal preference, practical feasibility, or strategic interest (Bird & Waters, 1989). Persons in organisations Alpha and Gamma are also more likely to make ethically questionable decisions to achieve organisational goals. In organisation Beta that has a caring climate, respondents are more likely to make ethical decisions and use ethical reasoning and language for their decisions. They are also more likely to make decisions based on their personal values, rather than relinquish their decision making to the organisation. Personal responsibility is promoted in organisation Beta and that leads to more ethical decisions, because people assume the posture of their self, which contains morality.
This research provides some support on the impact the ethical climate has on individuals in organisations due to its normative content which communicates to organisations' members what they ought to do, as well as what is acceptable and expected. It is because the organisation has the capacity to have an ethical climate, that it can influence the moral behaviour of its members. This capacity is what can affect the moral autonomy of an organisation's members.

Overall, people are more likely to use ethical values in personal dilemmas, and they are more likely to see the ethical issue in personal dilemmas. It was also found that people are more likely to use Instrumental justifications in the low difficulty and complexity dilemmas (see Tables 8.16 and 8.17). This finding may be explained by Bersoff's (1999) finding that in minor acts of social deviance people are more likely to distort the implications of their behaviour and act in contradiction to their values.

It is also indicated that despite the existence of formal codes of conduct in the three organisations, ethical decisions differ, supporting the view that the informal systems are more likely to affect behaviour (Falkenberg & Herremans, 1995). The findings support the position presented by Kjonstad and Willmott (1995) that codes of ethics may weaken the appreciation of ethics in organisations unless the codes are supported by encouragement for critical reflection, which is part of exercising moral autonomy. They also suggest that going beyond compliance and enabling post-conventional moral development using Kohlberg's theory, is ethically defensible because it allows people to reach their potential. They also offer a pragmatic outcome of this approach and
that is, responsiveness and innovation rather than predictability and routine are more likely.

It is also suggested that organisations that include caring in their values, as is the case with organisation Beta, arguably broaden their members' responsibilities by introducing moral concepts and enabling moral imagination (Wicks, 1996). It is argued here that to overcome the separation between ethics and business (Freeman, 1994, Wicks 1996) we must allow persons to bring themselves to work by creating environments where these selves are welcome to think, decide, speak and act. In organisation Beta, where people were expected to care more about their colleagues, customers and society at large we found that they were more likely to think morally. In organisation Alpha people were likely to be expected to comply with the regulations and law and it appears that this is 'taken home' and used in personal decision situations. In organisation Gamma, people were more likely to focus on 'getting the job done'. People from organisation Gamma, more so than in the other organisations are also less likely to recognise themselves as supervisors or managers of others. This may be because the relationship and interpersonal concept is not as developed in this organisation.

The findings imply that in the organisation where people were more likely to treat others as they treat their family, friends and communities, people are more likely to make ethical decisions. These decisions are more likely to exhibit concern for others and they are more likely to use moral values and language to justify decisions. This is supported by the findings reported in Table 8.19,
where people in organisation Beta had a stronger internal orientation, while in
organisations Alpha and Gamma an external orientation.

In the personal dilemmas respondents were also more likely to use moral
language to both resolve them and justify the resolutions. They were also
perceived as ethical dilemmas and not as dilemmas that did not involve any
ethical issues.

Returning to the research propositions presented in Table 5.1, it has been
found that overall people are more likely to make ethical decisions in the
personal dilemmas than the organisational dilemmas. These decisions are
more likely to be based on their personal values, as measured by the
Independence code. They are thus more likely to exercise moral autonomy.

It was also found that people from organisations Alpha and Gamma were more
likely to make more anomous decisions in the organisational dilemmas, while
they were not likely to do so in personal dilemmas.

The shift from anomy to heteronomy, from the low to high difficulty and
complexity dilemmas in organisation Alpha, was only supported in terms of
instrumental and caring judgements, as was explained earlier. In organisation
Beta, people were found more likely to rely on their personal values and on
caring to justify their dilemmas, which supports the proposition that moral
autonomy in caring organisations is more likely. In organisation Gamma, the
instrumental justifications were higher in the low difficulty and complexity
dilemmas but not in the high complexity and difficulty dilemmas. This indicates
that in difficult and complex situations, people are more likely to shift from egoism to caring and principle thinking.

9.3 LIMITATIONS

This research is an exploratory attempt to understand the organisational effect on individuals' moral autonomy. A major limitation of this research is the use of researcher proposed ethical dilemmas that are removed from the respondents' reality and context. It has been suggested by Vaughan (1998) that a person responding to an interview, a questionnaire, or dilemmas is not subject to the contingencies that would apply in routine decision making in the workplace. This limitation of the current research was addressed by trying to provide relevant organisational and personal ethical dilemmas, but it has not simulated the organisational routine decision making context. This decontextualisation may have resulted in the inability to capture values at work, which may be expected to be less personal than reflected in the findings of the current research. In addition the use of dilemmas makes it possible for the context of the situation to be perceived differently by different respondents.

Another limitation is that this research focuses on ethical values and intention but not behaviour. Weber and Gillespie (1998) found significant differences between beliefs and actions, beliefs and intentions, and intentions and actions in business ethics. The present research effort examines only values and intentions but not actions and behaviour.
The need to justify the decisions made may have increased the relativism found, because people may be more likely to rely on consequences to justify a decision. People may have felt that in order to fill in the page of the questionnaire, they had to look at the outcomes, when in fact they based their decisions on Idealism.

The number of organisations and people from each organisation is limited both numerically and geographically. A much larger sample from geographically dispersed organisations that varied in characteristics will provide a more adequate basis for the analysis of organisational influence on persons. In addition further analysis can be performed in terms of career stage, age, and gender. The sample selection is also affected by the refusal of the first choice organisations to participate in this research, which is indicative of the difficulty of ethical research in business organisations.

9.4 DIRECTIONS FOR FURTHER RESEARCH

This research sought to examine the possible effect of the organisation on the individual. To ascertain this effect different types of organisations were chosen. Organisation Alpha and Beta were found to correspond with the expected ethical climates of bureaucracy and clan organisations respectively. Organisation Gamma however was not found to have a highly instrumental climate as expected, and organisation Beta was not found to have a strongly independence climate as expected. As a result, even though, the findings of this research indicate that organisations do effect the ethical decisions made by people in them differently depending on the ethical climate they possess, more
disparate organisations may be more revealing about the different effects in different organisations. Further research in organisations that fulfill to a greater extent the profile of the bureaucratic, clan and market organisations (Ouchi, 1980) will enlighten this goal based empirical theory (Roland, 1989) of business ethics by clarifying what is desirable and how it can be achieved.

The emphasis of business ethics research has been on discovering what affects people in making ethical decisions in organisations. In this empirical investigation, the issue of how organisations affect the lives of people beyond their time at work was also addressed. It appears possible that the values adopted at work may filter to other aspects of life, as it was explained in Chapter 8. Future research in the effect of organisations on persons outside of the organisational context will clarify if the organisation makes the place and the people or the people make the place. Such research will enlighten the centrality of business to ethics (Werhane, 1991, cited in Jones, Wicks & Freeman, 2002).

A longitudinal study to explore people’s ethical values prior to joining an organisation and after a period of organisational membership will further enlighten the effect of the organisation on the moral autonomy of their members similar to studies undertaken by Chatman (1989, 1991) but with the emphasis on ethical values. Such an undertaking will also contribute to the understanding of the effect of the organisation on the person and of the person on the organisation.
The relationship between organisational climate, personal values and ethical decisions can be extended to address issues such as the existence of conflict, and its types and resolutions in the different types of organisations.

The small number of the sample both in terms of organisations and respondents from each organisation, limited to an Australian city, affect the generalisability of the findings. Further research in other geographic locations and types of organisations would contribute to the validation of the current findings. In addition the current research was limited to managers/supervisors. Research in different organisational levels may reveal different organisational influences. It is expected that people in the lower levels of organisations will differ due to power and experience disparities, from people in the higher levels of organisations. This may be due to organisational pressures at lower levels, or greater moral maturity at higher levels. Research by Weeks, Moore, McKinney and Longenecker (1999) indicates that people are more likely to display higher ethical judgement in higher career stages.

Morality is a practical activity. Addams (1902/1964) describes morality as the sphere of action. A situation, he claims becomes moral when “we are confronted with the question of what shall be done in a concrete case, and are obliged to act upon our theory” (pp. 273-274). In order to access that morality it is essential that people are asked to explain and justify their actions at work and in their lives outside of work. A research project that is able to assess actual behaviour and not values or intentions will provide further insight into the possible effect of organisations.
Additional research in the leadership and ethical reputation of the different types of organisations will further clarify the impact leadership has on the climate of the organisation and the impact leadership and climate have on the reputation of organisations. These findings will enlighten the factors that affect the ethicality of organisations and their effectiveness in terms of their ability to attract the right leaders and people in them (Aibinger-Schmidt, & Freeman, 2000).

It is also necessary to examine other organisations with Caring climate orientations to confirm the current findings. The assessment of job satisfaction and anomie of the respondents will also provide a further insight into the organisational influence.

9.5 CONCLUSION

The examination of the moral autonomy of people in organisations enables the identification of the organisational characteristics that promote ethics at work. It is found here that the organisation with a more caring climate is likely to have or enable persons that think about and resolve ethical dilemmas, instead of ‘working to rule’ and trying to avoid responsibility and ethical responsibility. As a result people in organisations with a caring climate are more likely to decide as moral agents, as persons, and not as people in roles or subjects to rules (Nesteruk, 1991b).

The implications of this are great for organisations and persons. Firstly, the findings of this research indicate that organisation Gamma in particular and
Alpha to a lesser extend are more susceptible to unethical behaviour, because people in these organisations are more likely to use egocentric reasoning and not ethical reasoning. People in these two organisations are also more likely to avoid making an ethical decision or not recognise an ethical issue. As a result and due to the lack of moral awareness and moral choice, these organisations are more likely to find themselves performing ethical autopsies and trying to find out why and how their people behaved unethically.

Addressing organisational effectiveness, it was found that people in organisation Beta were more likely to go beyond their roles and ensure that they care for their colleagues, organisations and society at large. This included assuming extra role behaviours. People were also more likely to resolve the issue they face and avoid passing it on back to the hierarchy. As a result the organisational decision fragmentation and removal from the people that have access to more information is less likely to happen. So the issues raised by Barnard (1938) and Vaughan (1998) among others, are less likely to surface in such an organisation.

In terms of the ethical behaviour of organisations and their ethical reputation, the fact that people are more likely to use egocentric reasoning in dilemmas that are easy and simple and less so for more difficult and complex dilemmas, provides some form of reassurance that at least in issues where the impact may be great, people are not likely to make decisions that are based on instrumentality. This can provide a false reassurance however because as it was discussed in Chapter 4, many important, complex and difficult decisions in organisations are broken down into small and easy parts. The accumulation of
these small decisions may have great implications and consequences. This is another reason that supports the necessity of moral awareness and moral reasoning and thinking in every decision made in organisations.

Beyond these instrumental outcomes that need further research and exploration, people who are allowed moral autonomy are treated as and assume the posture of a person and this is the good and right thing to do. Autonomy, it was explained in Chapter 2, makes people ends in themselves and gives dignity, something that egoism does not provide (Guyer, 1998). The capacity of moral autonomy to provide dignity to persons makes it the reasonable and preferred alternative for persons.

Moral autonomy is not as Liedtka (1999) warns the separation or exclusion from the community. It is about allowing and enabling persons to reach their human potential by doing what they can and ought as human beings, which is exercise moral autonomy. Moral autonomy is not antithetical to community, but rather it is the foundation for an ethical community. It is based on conscious deliberation and thinking. Moral autonomy enables dignity and provides positive freedom. It makes people responsible and it removes people from egoism. When we become truly human, we care for the other. Persons who are autonomous living in communities that are good (McVeigh, 2002) in all spheres and aspects including business will have a greater possibility of doing what is right and good.

The present study establishes that different decisions are made by people in different organisations because of different organisational characteristics. It
has also determined that people have the capacity to reason across a range of
different dimensions when they face ethical dilemmas, but the context and
issue promotes certain types of reasoning and inhibits others. Further research
examining the effect of the organisational values on the actual behaviour of
people in the organisational context will provide a valuable insight into why
people in organisations behave in certain ways. Such an understanding will
clarify the organisational posture that allows or enables people to behave
ethically.

This research is subject to the limitations outlined above, but it does provide an
insight on how the organisation may affect the moral decision making process.
Humber (2002) argues that ethical decision making and organisations should
be viewed as exactly the same as ethical decision making and persons. The
suggestions that this research provides include the reasons why in some
instances as in organisation Gamma and less so in organisation Alpha, ethical
decision making is not the same in organisational dilemmas as in personal
dilemmas. Humber, however, also suggests that business should be
guaranteed the right to moral autonomy, but he explains autonomy as a
preference. He actually states that organisations “should be guaranteed the
right to judge beliefs and actions in any way they see fit” (p. 218). This
prescription, in the absence of the clarification of the moral status of
organisations appears dangerous because it is based on arbitrary preferences
rather than ethics.

The findings of this research suggest that if we are going to overcome the
distinction of ethics in business from ethics and the separation thesis (Freeman,
we have to ensure that our businesses develop philosophies that go beyond egoism and embrace the values of benevolence and independence. Further, Werhane (1991, cited in Jones, et al., 2002) suggests that we need to appreciate not only the centrality of ethics to business, as Adam Smith proposes, but also the centrality of business to ethics, because they are the plateau upon which most of us live our lives. The possibility of the organisational values affecting the personal dilemmas in organisation Alpha, provide a basis for further analysis in this sphere.

The findings suggest that organisations that rely on rules and regulations are more likely to remove the responsibility from ethical decision-making, and lead to avoidance of such decisions. Decisions are more likely to be pushed up the organisational hierarchy, affecting the effectiveness and responsiveness of organisations, as well as the well being of their members by compartmentalising life, thus taking away the self, that Taylor (1989) discusses. The findings also suggest that such organisations are more susceptible to unethical decisions and conduct because decision makers do not use their own moral values and the organisation fails to provide such values but relies on rules and regulations.

Understanding why people behave the way they do in organisations will enable both individuals and organisations to develop systems and processes that enable moral choice to persons in organisations. It was mentioned earlier that historically, ethics developed with autonomous persons in mind, and its own theory of the person (Collier, 1998). A moral agent in philosophical ethics can only be a person but business ethics in organisations is about the collective, not
the individual. Collier suggests, that "if business ethics is to work with and through the 'collective' as object, it requires analogous theoretical understanding of 'business'" (p. 622). It is thus necessary to combine the organisational with the ethical. This can be accomplished by understanding their interaction and effect on the organisation, the individual and the ethics of both.
REFERENCES


http://ethics.acusd.edu/resources/cases/CaseDetail.asp?ID=3


Small, M. W., & Dickie, L. (2002, June). *Trust is important but so is...or how to persuade managers to study philosophy*. Paper presented at the Developing Philosophy of Management, Oxford, UK.


behavior from multiple levels of analysis. Journal of Business Ethics, 16, 1705-1716.


Dear Sir/Madam,

I am asking you to participate in this survey on personal and organisational values and decisions undertaken for my doctoral thesis at Edith Cowan University, Western Australia. The purpose of the research is to investigate the organisational influence on the values of decision-makers.

The effect of organisations on the individual in regards to decision making behaviour is important because it affects the approach organisations should adopt for the promotion and implementation of organisational values. The research involves responding to general value statements and fictitious brief dilemmas, and takes approximately one hour to complete.

If you agree to participate, you may withdraw at any time without prejudice. Your responses are anonymous and will remain in the exclusive possession of the researcher for analysis and study. No reference to the identities of the participants and the organisation will be made in any use of the material gathered or its analyses and reports.

This is an anonymous questionnaire. Please ensure that you do not write your name on the attached. By completing the questionnaire, you are consenting to take part in this research. Your agreement to participate allows the researcher to use the data, which may be published in academic research papers and books provided the individual and the organisation are not identified.

Any questions concerning the project can be directed to Eva Evdokia Tsahuridu (Principal Investigator) of the Faculty of Business and Public Management, Edith Cowan University, on 9442 1944.

Please complete the questionnaire in the order provided, and ensure all questions are answered. Place completed questionnaires in the return envelope provided and post by 25 August 2000.

Thank you for your valuable assistance.

Kind Regards

Eva Tsahuridu
We would like to ask you some questions about the general climate in your organisation. Please answer the following in terms of how it is in your organisation, NOT how you would prefer it to be. Please be as candid as possible, remember, all your responses will remain strictly anonymous and will NOT be revealed to anyone in your organisation.

<table>
<thead>
<tr>
<th>Office</th>
<th>Completely disagree</th>
<th>Completely agree</th>
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<tbody>
<tr>
<td>1</td>
<td>What is best for everyone in the organisation is the major consideration here.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>2</td>
<td>These days I get the feeling that in business, individuals are just not a part of things.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>3</td>
<td>The life of the average person in business is getting worse, not better.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>4</td>
<td>In this organisation, people look out for each other's good.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>5</td>
<td>In this organisation, it is expected that you will always do what is right for the customers and the public.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>6</td>
<td>The most efficient way is always the right way in this organisation.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>7</td>
<td>In this organisation, people protect their own interests above all else.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>8</td>
<td>These days in business, I don't really know whom one can depend on.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>9</td>
<td>In this organisation, the law or ethical code of the profession is the major consideration.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>10</td>
<td>People here are concerned with the organisation's interests - to the exclusion of all else.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>11</td>
<td>In this organisation, the first consideration is whether a decision violates any law.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>12</td>
<td>The most important concern is the good of all the people in the organisation as a whole.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>13</td>
<td>In this organisation, each person is expected above all to work efficiently.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>14</td>
<td>Successful people in this organisation go by the book.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>15</td>
<td>People in this organisation strictly obey the organisational policies.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>16</td>
<td>There is no room for one's own personal morals or ethics in this organisation.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>17</td>
<td>In this organisation, people are mostly cut for themselves.</td>
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<tr>
<td>Office Use</td>
<td>Completely disagree</td>
<td>Completely agree</td>
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<td>--------------------------------------------------------------------------</td>
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<tr>
<td>18. The most important concern in this organisation is each person’s own sense of right and wrong. People are expected to do anything to further the organisation’s interests, regardless of the consequences.</td>
<td>1 2 3 4 5 6 7</td>
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</tr>
<tr>
<td>19. Everyone is expected to stick to organisational rules and procedures.</td>
<td>1 2 3 4 5 6 7</td>
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</tr>
<tr>
<td>20. Work is considered substandard only when it hurts the organisation’s interests.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<tr>
<td>21. The major responsibility of people in this organisation is to control costs.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>22. People are expected to comply with the law and professional standards over and above other considerations.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<tr>
<td>23. Each person in this organisation decides for themselves what is right and wrong.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<tr>
<td>24. I feel no one in business really cares much about what happens to individuals.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<tr>
<td>25. In this company, people are guided by their own personal ethics.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>26. I get the feeling that life at work is not very useful.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>27. In this organisation no one cares what happens, when you get right down to it.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<tr>
<td>28. In this organisation, people are expected to strictly follow legal or professional standards.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>29. People in business don’t really care what happens to the next person.</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
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<tr>
<td>30. In this organisation, people are expected to follow their own personal and moral beliefs.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>31. Our major concern is always what is best for the other person.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>32. I find it hard to be hopeful for the future of the world the way things look now.</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>33. It is very important to follow the organisation’s rules and procedures here.</td>
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</tbody>
</table>
You will find several stories in the following pages.

Different people will offer different solutions.

There are no right and wrong solutions.

We are primarily interested in the explanations or reasons you give for your decisions.

Try to justify and explain your statements as fully as possible.

Be sure you elaborate fully. Please do not compare answers to prior cases. We remind you again that answering the WHY question is of great importance.

Telling us what should be done is of no help to us unless you tell us WHY you think it should be done.

Please proceed to the next page
Helen is a policy analyst and planner for the Main Roads Department. She is a mid-level bureaucrat who does not set policy, but her analysis certainly does have a role in how the policy agenda shapes up. Helen is now working on a highway extension into the southern region of Perth. The region is environmentally sensitive, yet has experienced rapid growth. There seem to be two viable alternatives in route planning. The least expensive in cost, the Speedy Route, is also the quickest. It will save about 8 minutes off the other route. The Green Route would be less environmentally destructive, but would cost the state about 10 percent more. The transport lobby favors the Speedy Route whilst the environmental lobby favors the Green Route. As Helen develops her report, she feels pressured to minimize the possibility of the more expensive and longer route. Upper management in the Department wants to keep the agenda free of “unnecessary” controversy. They have said that they believe the Green route is not as financially feasible. They encourage Helen to leave it out of her report. Why present an option that is not the best?

What should Helen do?

Why?
Clint is negotiating for a contract for his company that will achieve the required sales for the year. He is able to provide the required product but he knows of a fault that is likely to make it more expensive for the buyer to use for his purposes.

What should Clint do?

Why?
Anne works with a non-governmental organization (NGO) which provides emergency aid to refugees. Often the refugees she seeks to serve are in the most desperate situations. The aid that Anne's organization provides is the bridge between life and death especially for the most vulnerable of the refugees. Without help young children, the sick and the elderly are at real risk of sickness and death. Refugee situations are frequently made more difficult by armed factions who may be related to the government or may be loosely organized in bands of armed civilians. For these soldiers and militiamen, the presence of relatively wealthy aid workers is an opportunity for economic gain. Placing themselves between the NGO workers and the refugees, the bands of soldiers demand "security fees" for safe passage. If the refugee workers do not pay the bribe, the refugees on the other side of the road-block may die of starvation or illness.

What should Anne do?

Why?
Katherine is the accounts supervisor in an organisation. She is asked by the department’s head to accept a reputedly incompetent employee into her department, because no one else would have him.

What should Katherine do?

Why?
As a young university graduate, Chris was working for a scientific research organisation studying pollution damage to coral on Australia's Great Barrier Reef. The organisation had a problem common to all scientific research - how to get enough funding to carry on the work. All their worries appeared to be solved when quite out of the blue one of the large multinational corporations operating in the country offered significant ongoing financial support. There was a "hitch," however. The company had recently suffered adverse publicity through an article claiming they were themselves responsible for some of the pollution. In return for the financial support they not only wanted the research organisation to refute these claims, but also to study a section of the reef where there were no pollution problems. The scientists needed the funding to solve the barrier reef's problems and without this funding they could not accomplish that task. It seemed that efforts to find other sponsors were meeting with no success at all. It is quite clear to Chris that his colleagues favor the acceptance of the funding from the multinational corporation, having struggled for many years with less-than-adequate resources.

What should Chris do?

Why?
In a department meeting, Phil's supervisor Tilby takes credit for some excellent work of a colleague who is absent. Phil knows that the work reported is not Tilby's.

What should Phil do?

Why?
Stun goes to the supermarket to purchase the weekly groceries. He stops at the ATM to get some cash. The machine instead of the requested $100.00 dispenses $150.00. He checks the receipt and finds that only $100.00 is recorded.

What should Stan do?

Why?
A 16-year-old girl, Marie, is being treated for a serious kidney disease. She is currently on a dialysis machine, but treatment is steadily decreasing in efficacy. Before her condition declines any further, the specialist doctor suggests family members undergo tests to determine tissue compatibility to transplant a kidney. Only the brother, 22-year-old Alex, shows a degree of compatibility high enough to be considered a candidate. The doctor meets with Alex alone to discuss the risks and benefits of the operation. Although agreeing to be tested, Alex decides not to donate a kidney after weighing the various alternatives because of the risks, and because, as he puts it, he doesn’t “feel he and his sister have ever been close enough that they would ever take that kind of a risk for each other.” The doctor repeats a full explanation of the risks involved, and urges him to rethink his decision because of the serious nature of his sister’s illness with increasingly little time to spare. The brother remains adamant in his refusal. Marie does not know about the tests and their results. The doctor informs Alex’s father of the situation.

What should the father say to Marie?

Why?
A friend tells Helen in strictest confidence that he has been molested by one of his parents, making her promise not to tell anything to anyone. Helen's friend is still upset and at the time of this confession to her appeared distraught.

What should Helen do?

Why?
Mark just bought some jeans at the mall. By mistake, the clerk gives him back the wrong change. So Mark stands there with an extra $10 in his hand.

What should Mark do?

Why?
When he graduated from college with a degree in science, Andy had found a solid job in his profession, married, and subsequently had two sons. Twelve years later, he moved to another company that promised steady advancement within its managerial ranks. A devoted family man, he admired his wife's dedication to raising the boys. But he also observed that his sons, approaching their teen years, benefited greatly from his fatherly friendship and counsel - especially as they approached what he and his wife realised could prove to be a difficult transitional period in their upbringing. So he made a commitment to spend plenty of time with them, playing football and helping with their schoolwork. But he also loved his work, and did well at it. And it quickly became apparent that, to advance rapidly up the managerial ranks, he needed an MBA. An MBA would enable him to better provide for his family in the future as well. A nearby university offered the degree in an attractive evening-and-weekend program that would allow him to continue full-time employment. But it would soak up the next two years of his life and throw most of the family activities into his wife's hands.

What should Andy do?

Why?
On a bitterly cold morning Mary is approached by a beggar who asks her for $2 for a hot cup of coffee. Mary can easily afford to give him the money but the beggar has clearly alcohol on his breath and it is only 10 o'clock in the morning.

What should Mary do?

Why?
You will find a series of general statements listed below. Each statement represents a commonly held opinion and there are no right and wrong answers. You will probably disagree with some items and agree with others. We are interested in the extent to which you agree or disagree with such matters of opinion. Please read each statement carefully. Then indicate the extent to which you agree or disagree by crossing the appropriate number, corresponding to your feelings.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Completely disagree</th>
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<td>49</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>Office used</td>
<td>Completely disagree</td>
<td>Completely agree</td>
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<tr>
<td>50</td>
<td>Moral standards are simply personal rules which indicate how a person should behave, and are not to be applied in making judgements of others. Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>51</td>
<td>I get the feeling that life is not very useful.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>52</td>
<td>Moral actions are those which closely match ideals of the most 'perfect action.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>53</td>
<td>Risks to another should never be tolerated, irrespective of how small the risks might be.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>54</td>
<td>No one cares what happens, when you get right down to it.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>55</td>
<td>People don't really care what happens to the next person.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>56</td>
<td>No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>57</td>
<td>Different types of moralities cannot be compared as to 'rightness'.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>58</td>
<td>Doing things which may harm others is always wrong, irrespective of the benefits to be gained.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>59</td>
<td>It is hardly fair to bring a child into the world the way things look now.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>60</td>
<td>One should not perform an action which might in any way threaten the dignity and welfare of another individual.</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
Please complete the following questions about yourself:

1. Gender
   - Female
   - Male

2. Your age group:
   - Up to 25
   - 26 to 35
   - 36 to 45
   - 46 to 55
   - 56 and over

3. What is the highest level of education you completed:
   - High school
   - Technical college
   - Undergraduate university degree
   - Postgraduate university degree
   - Other, please specify: ________________________________

4. What is your occupation ________________________________________________________

5. How long have you been employed in the current organisation: ________________ years

6. How long have you been in the workforce: ________________ years

7. Do you supervise any employees? Yes ☐ No ☐
   If Yes, how many? ________________________________

8. Which of the following best describes your living situation?
   - Single
   - Married / De facto
   - Divorced / Widowed
   - Other, please specify: ________________________________

9. Do you have children? ☐ Yes ☐ No

10. Do you have a religion? ☐ Yes ☐ No
    If yes, do you practice your religion? ☐ Always ☐ Sometimes ☐ Never

General Comments:

_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

Thank you for completing this questionnaire

Your assistance is of great importance and value.