This is the published version (version of record) of:


Available from Deakin Research Online:

http://hdl.handle.net/10536/DRO/DU:30021798

Reproduced with kind permission of the copyright owner.

Copyright: 2009, ANZMAC
Abstract

Absolutism (deontology and teleology), moral relativism (individual moral position), and individual and environmental factors are at the crossroads of descriptive ethics research. For several decades, researchers have espoused teleological aspects, such as the punitive influence of codes of ethics, as managerial tools that enhance ethical conduct in organisations. The current study modelled the individual factors of need-for-cognition (NFC), individual moral position, and occupational socialisation as influences on the work-norms of marketers. The findings from a survey of marketers suggest that NFC influences the ethical idealism, professional socialisation, and work-norms of marketers positively. The research identifies that encouraging cognitive activities among marketers may be a useful alternative when developing appropriate deontological work-norms and decision-making under ethical conditions in marketing.

Keywords: marketing, ethics, need-for-cognition, organisational, professional, socialisation, idealism, relativism, norms.
NFC, Moral Position, Socialization, and Ethical Decision-Making

Abstract

Absolutism (deontology and teleology), moral relativism (individual moral position), and individual and environmental factors are at the crossroads of descriptive ethics research. For several decades, researchers have espoused teleological aspects, such as the punitive influence of codes of ethics, as managerial tools that enhance ethical conduct in organisations. The current study modelled the individual factors of need-for-cognition (NFC), individual moral position, and occupational socialisation as influences on the work-norms of marketers. The findings from a survey of marketers suggest that NFC influences the ethical idealism, professional socialisation, and work-norms of marketers positively. The research identifies that encouraging cognitive activities among marketers may be a useful alternative when developing appropriate deontological work-norms and decision-making under ethical conditions in marketing.

Introduction and Background to the Study

The main purpose of the study was to expand our understanding of the formation and influence of work-related norms in ethical decision-making in marketing. This issue was addressed partially by McClaren and Adam (2007) who investigated the relationships among organisational socialisation, professional socialisation, work norms, and ethical perceptions empirically. Although they found that occupational socialisation influenced work-related norms, and that these norms influenced ethical perceptions, they suggested that other individual and organisational factors needed to be investigated to more fully understand the formation of these constructs. The present study proposes that NFC (Cacioppo and Petty 1982) and moral position (Forsyth 1980) are two individual characteristics that influence vocational socialisation and work norms. By examining these relationships empirically, we are able to better understand the comparative influence and importance of two factors that contribute to work-norms and ethical decision-making.

Although norms are included in most decision-making frameworks (Hunt and Vitell 1993; Trevino 1986), the research into the comparative importance of deontological and teleological factors in decision-making is ambiguous. Some researchers (DeConinck and Lewis 1997; Hunt and Vasquez-Parraga 1993) found deontological influences provide a greater explanation of moral judgments while others (Rallapalli et al. 1998) report teleological factors provide greater influence. Teleological aspects appear to be part of the reason why researchers have focused on environmental aspects of decision-making, such as supervisory behaviour, rewards and punishment, and codes of ethics. Such practices are met with varying success, as demonstrated by academic research and the frequent reports of ethical misconduct in the press. Further, some researchers (Robin and Reidenbach 1986) argue that utilitarian perspectives are inappropriate because individuals make decisions based on alternative moral perspectives. If Tansey et al. (1994) are correct about these perspectives being at a “crossroads” in that environmental factors have a role mainly when decision-making is grounded in utilitarian perspectives, then focusing on individual factors in decision-making becomes much more important. Understanding the individual factors that influence decision-making, especially those factors that have a positive affect on work-norms, is important because this understanding may provide managers with other ways of promoting ethical decisions in organisations. Identifying temporally stable, individual
characteristics that influence work-norms is important because the selection and development of such characteristics in individuals may provide a more enduring way of inculcating ethics in organisations.

The Conceptual Model

The following conceptualisation describes the influence of two individual characteristics on the environmentally learned factors of socialisation and work-related norms. Stated succinctly, NFC is about the desire, the way, and the extent to which individuals process information and are persuaded. The study hypothesizes that NFC influences both dimensions of individual moral position (i.e., ethical idealism and ethical relativism), occupational socialisation (i.e., organisational and professional socialisation), and work-related norms. Although no research has investigated NFC and the ethics of marketing practitioners, there is substantial evidence that NFC influences decision-making in other contexts (Gauthier et al. 2006; Roesch 1999; Sergeant 2004; Shestowsky and Horowitz 2004). Antecedent studies have found differences between high- and low-NFC individuals in their judgments arising from contextual biases (Boyle et al. 1998) and the greater utilization of issue-relevant information (Singer et al. 1998).

Decision-making frameworks describe the process as including the recognition ethical issues under high involvement, extensive, and effortful processing (Sparks and Hunt 1998) requiring not only a high level of cognitive processing but a high level of the motivation described by Petty et al. (1991). Sparks and Hunt (1998) distinguished between recognising ethical issues and being sensitive to ethical issues finding that ethical sensitivity is learned mainly from organizational rather than professional socialization. However, Sparks and Hunt (1998) did not examine the motivation that they noted is a feature of decision-making and which is likely to be antecedent to the learning of organisation, professional, and work-related norms.

Ethical idealism is about the formation of judgments based on universal moral rules and holding ideals and values as universal principles. Ethical relativism is about the avoidance of rules in moral decision-making. Organisational and professional socialisation and work-related norms represent three sets of norms and reflect the learning of rules at three levels. Although it seems few studies have examined relationships among moral position and occupational socialisation, research has shown relationships between this moral position and ethical judgments. The present study hypothesises that occupational socialisation and norms are antecedents to decision-making that may be influenced by moral position. Following McClaren and Adam (2007), the study also theorizes that occupational socialisation influences work-related norms. The main hypotheses are shown in Figure 1.

Method

All measures were from existing instruments with some modification for the purpose of the study. NFC was measured using 18-items (Cacioppo et al. 1984). The 20-item EPQ instrument (Forsyth 1980) measured individual moral position (ETHIDEAL and ETHREL). Organisational and professional socialisation (ORGSOC and PROFSOC) were measured using eight items from Sparks and Hunt (1998). The work-norms of marketers and perception of an ethical problem were measured using instruments from Singhapakdi and Vitell (1990).
In the present study, 5,000 marketing practitioners were drawn randomly from a commercial list of 26,000 practitioners and invited to complete a postal questionnaire. The self-administered survey produced a response of 485 (9% response) completed questionnaires. Data analysis was undertaken using the 382 cases with no missing values. Clearly the lower than expected usable response is a limitation of the study, and serves to reduce the generalisability of the findings due to possible sampling error. The response is in large measure due to issues such as the number of items and the time it took respondents to complete the questionnaire. That stated, non-respondents were not contacted to seek their views.

Respondents could be characterised as follows: 72% were male, 37% were aged between 40 and 49, 31% had a Bachelor’s Degree as their highest level of formal education, and although 31% had been with their current employer between one and four years, 55% had been with their current employer between one and nine years. Data analysis commenced with confirmatory factor analysis resulting in a measurement model containing all 23 indicator items for the six constructs. This model indicated that six different dimensions were measured. The model fit statistics were $\chi^2 (215) = 245.77$, $\chi^2/DF = 1.14$, $P = 0.07$, $CFI = 0.99$, $TLI = 0.98$, $SRMR = 0.04$, and $RSMEA = 0.02$. The inter-factor correlations are shown in the appendix as Table 1.

Next, the relationships hypothesised in Figure 1 were included in a structural model using formed indicators. The results are shown in Figure 2 after the deletion of the non-significant paths.

### Table 1: Inter-factor correlations from the confirmatory factor analysis

<table>
<thead>
<tr>
<th></th>
<th>NFC</th>
<th>ETHIDEAL</th>
<th>ETHREL</th>
<th>ORGSOC</th>
<th>PROFSOC</th>
<th>WORKNORM</th>
</tr>
</thead>
<tbody>
<tr>
<td>NFC</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHIDEAL</td>
<td>0.26</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ETHREL</td>
<td>-0.03</td>
<td>-0.10</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORGSOC</td>
<td>0.24</td>
<td>0.30</td>
<td>-0.16</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROFSOC</td>
<td>0.42</td>
<td>0.27</td>
<td>-0.20</td>
<td>0.62</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>WORKNORM</td>
<td>0.41</td>
<td>0.34</td>
<td>-0.34</td>
<td>0.44</td>
<td>0.42</td>
<td>-</td>
</tr>
</tbody>
</table>
Discussion

The current findings suggest NFC influences work-related norms in two ways. Firstly, NFC influences the ethical idealism of individuals (H₁d) and influences the extent to which they are socialized into their profession (H₁c), both of which are antecedent influences on work norms (H₄a and H₄b). Secondly, NFC influences work norms directly (H₁a). The implication of these findings is that managers can improve ethical decision-making in organisations by fostering NFC in their employees because of its positive effect on these dimensions. Importantly, managers may assume that such improvement will be enduring because NFC and ethical idealism are temporally stable characteristics. Such characteristics may transcend the moral climates of organisations and industries. This compares to other individual factors that organisations are not able to effect realistically (age, gender, nationality, religion, as examples) or where there appears to be no, or inconclusive evidence about the influence of the individual factor on moral judgments. The current finding (H₁c) demonstrating a moderate effect from NFC on socialisation into the profession extends Yetmar and Eastman (2000) who associated professional commitment with ethical sensitivity. Rallapalli et al. (1998, p. 166) found that marketers, especially members of professional associations, working in professional environment where codes are enforced, tend to use norms more often in making ethical judgments and “that firms should attempt to enhance the norms of employees in an effort to improve the ethical decision-making of their employees” especially through ethics training. The current study suggests that the extent to which marketers enjoy thinking, and desire and process information contribute to them being more highly professionally socialized, and that this socialisation leads to higher work-related norms. This finding suggests there are other, perhaps more enduring, means of achieving ethical behaviour in companies. An unresolved issue is whether it is the punishment described in the code or the
cognitive processes required to understand the implications of such codes, or both, that may contribute to higher norms.

The second main area of interest to marketers is the finding concerning individual moral position and absolutism where ethical idealism and deontology have been related positively to ethical decision-making and ethical relativism and teleology related negatively. The findings show that the influence of ethical idealism on work-related norm (H2a), organisational socialisation (H2b) and professional socialisation (H2c) are positive, though weak statistically. Although there are contradictory research findings in this area, the results of the present study are consistent with researchers who report a positive relationship between idealism and ethical judgments (Barnett et al. 1996; Bass et al. 1998; Davis et al. 1998; Harrington 1997). The finding from the current study demonstrates that higher ethics can be achieved in organisations from the influence of ethical idealism on deontological work-related norms, and on organisational and professional socialisation.

Although there are contradictory research findings in this area, the results of the present study are consistent with researchers who report a positive relationship between idealism and ethical judgments (Barnett et al. 1996; Bass et al. 1998; Davis et al. 1998; Harrington 1997). The finding from the current study demonstrates that higher ethics can be achieved in organisations from the influence of ethical idealism on deontological work-related norms, and on organisational and professional socialisation.

The negative influence from ethical relativism on work norms (H3a) and ethical perceptions (H3d) is consistent with previous studies (Barnett et al. 1996; Barnett et al. 1998; Boyle 2000; Kim 2003), but inconsistent with Sivadas et al. (2003). Bearing in mind that ethical idealism and ethical relativism represent two opposing dimensions of individual moral position, the negative influence of relativism on professional socialisation (H3b) is consistent with the positive effect from idealism on these same norms. The rejection of those norms that reflect greater socialisation into the profession by ethically relativistic employees is consistent with them believing there are no universal rules, either good or bad. Unlike their idealistic counterparts, this presents a problem for managers. While managers can be reasonably confident that there are positive influences from the ethical idealism of their employees on three sets of norms, and that these influences collectively exert a positive, consistent, and enduring influence on ethical decision-making, this may not be said of their ethically relativistic counterparts. Managers need to appreciate that their ethically relativistic employees reject those work and professional norms that would otherwise contribute to employees being socialized into their organization; and that this rejection does not permit higher ethical standards and behaviour occurring through socialisation into the profession or job.

This is the first study of marketers examining the main relationships described here. As such, it is an important step in understanding some of the antecedents to ethical decision-making. More importantly, it identified that NFC and ethical idealism are two temporally stable, individual characteristics that influence these antecedents, namely, higher work-related norms and professional socialisation. Because previous research suggests that deontological and ethical idealism provides a greater explanation of ethical decision-making it is necessary that managers are able to take action that reinforces these antecedents to ethical decision-making. In this study, NFC and ethical idealism influenced the work norms and professional socialisation that are deontological sets of rules that contribute to higher ethical decisions, therefore providing managers with different tools to manage ethical decision-making.

The research methodology has the same limitations as other similar empirical research into business ethics and the findings from the current study can not be extended beyond those marketers surveyed. Several areas requiring further examination emerge from the findings. Particularly, research should establish how managers can best develop NFC in their employees through ethics training and other cognitive activities.
References


