O. C. Ferrell & Larry G. Gresham

A Contingency Framework for Understanding Ethical Decision Making in Marketing

This article addresses a significant gap in the theoretical literature on marketing ethics. This gap results from the lack of an integrated framework which clarifies and synthesizes the multiple variables that explain how marketers make ethical/unethical decisions. A contingency framework is recommended as a starting point for the development of a theory of ethical/unethical actions in organizational environments. This model demonstrates how previous research can be integrated to reveal that ethical/unethical decisions are moderated by individual factors, significant others within the organizational setting, and opportunity for action.

MOST people agree that a set of moral principles or values should govern the actions of marketing decision makers, and most marketers would agree that their decisions should be made in accordance with accepted principles of right and wrong. However, consensus regarding what constitutes proper ethical behavior in marketing decision situations diminishes as the level of analysis proceeds from the general to the specific (Laczniak 1983a). For example, most people would agree that stealing by employees is wrong. But this consensus will likely lessen, as the value of what is stolen moves from embezzling company funds, to "padding" an expense account, to pilfering a sheet of poster board from company supplies for a child's homework project. In fact, a Gallup poll found that 74% of the business executives surveyed had pilfered homework supplies for their children and 78% had used company telephones for personal long-distance calls (Ricklefs 1983a).

O. C. Ferrell is Associate Professor, and Larry G. Gresham is Assistant Professor, Department of Marketing, Texas A&M University. The authors wish to thank Patrick E. Murphy, Gene R. Laczniak, Mary Zey-Ferrell, Charles S. Madden, Steven Skinner, Terry Childers, and two anonymous reviewers for their helpful suggestions and constructive comments.

Because of the lack of agreement concerning ethical standards, it is difficult to find incidents of deviant behavior which marketers would agree are unethical. For example, in the Gallup poll cited above, 31% had ethical reservations in accepting an expensive dinner from a supplier, but most of the respondents indicated that bribes, bid rigging, and price collusion had become more common in recent years (Ricklefs 1983a, 1983b). Dishonesty is reportedly perverting the results of market tests (Hodock 1984). Obviously, there is a wide-ranging definition of what is considered to be ethical behavior among marketing practitioners.

Absence of a clear consensus about what is ethical conduct for marketing managers may lead to deleterious results for a business. Due to faulty test marketing results, potentially successful products may be scrapped and unwise market introductions may be made. In either case, both the consumer and the "cheated" firm are losers. Productivity and other measures of efficiency may be low because employees maximize their own welfare rather than placing company goals as priorities.

Absence of a clear consensus about ethical conduct among marketers has resulted in much confusion among academicians who study marketing ethics. These academicians have resorted to analyzing various lists of activities to determine if marketing practitioners feel specific behaviors are ethical or unethical. This research seems unenlightened by evidence that ethical standards are constantly changing and that they vary from one situation/organization to another. Individuals have different perceptions of ethical situations and use different ethical frameworks to make decisions. Thus, no attempt is made here to judge what is ethical or unethical (the content of the behavior). Our concern is with the *determinants* of decision-making behavior which is ultimately defined as ethical/unethical by participants and observers. Rather than advocate a particular moral doctrine, we examine contexts and variables that determine ethical decisions in the managerial process.

This article intends to fill a significant gap in the theoretical literature related to marketing ethics. The conceptual framework developed and discussed focuses on a multistage contingency model of the variables that impact on ethical decisions in an organizational environment. The article's specific objectives are (1) to review empirical research and logical evidence useful in creating a contingency framework to explain ethical decisions of marketers, (2) to defend the contingency framework with existing empirical research and logical evidence, and (3) to suggest additional research to test portions of the contingency framework.

Definitions and Approach

We assume that the operating exigencies of the firm bring the marketer into contact with situations that must be judged as ethical or unethical (right or wrong). Such situations may include placing marketers in positions to use deceptive advertising, fix prices, rig bids, falsify market research data, or withhold product test data. The opportunity variable is especially salient since the marketer performs a boundary spanning role for the organization. That is, the marketer links the task environment to the organization by defining consumer needs and satisfaction. As Osborn and Hunt (1974) note, those parts of the organization most exposed to the environment will be under more pressure to deviate. Therefore, many of the ethical questions developing in any firm are related to marketing decisions. The model described is equally applicable to other functional areas of the organization, such as accounting, management, etc. However, the opportunity to deviate from ethical behavior may be less prevalent in nonmarketing areas, due to a lower frequency of boundary spanning contacts.

The proposed framework for examining ethical/unethical decision making is multidimensional, process oriented, and contingent in nature. The variables in the model can be categorized into individual and organizational contingencies. The individual variables consist of personal background and socialization characteristics, such as educational and business experiences. The organizational characteristics consist of the effects of organizations external to the employing organization (customers, other firms) and intraorganizational influences (e.g., peers and supervisors). These variables are interdependent as well as ultimately affecting, either directly or indirectly, the dependent variable—ethical/unethical marketing behavior.

The general framework is a contingency approach to individual decision making, which suggests that we can observe wide variations in ethical decision making, but this variation is not random. Theoretical and practical contributions are achieved through identifying important contingency variables that distinguish between contexts in which decisions are made. This simply means that the decision making of marketers is dependent on contingencies external to the decision-making process. These contingency factors may be found within the individual, in the organizational context, or external to both the individual and the organization (i.e., in the interorganizational environment).

The contingency framework presented in Figure 1 demonstrates that multifaceted factors affect the likelihood of ethical actions by individual decision makers. Individual factors (including knowledge, values, attitude, and intentions) are posited as interacting with organizational factors (including significant others and opportunity factors) to influence individuals involved in an ethical/unethical decision-making dilemma. The societal/environmental criteria used to define an ethical issue are treated as exogenous variables in this theoretical framework and are, therefore, beyond the scope of this analysis.

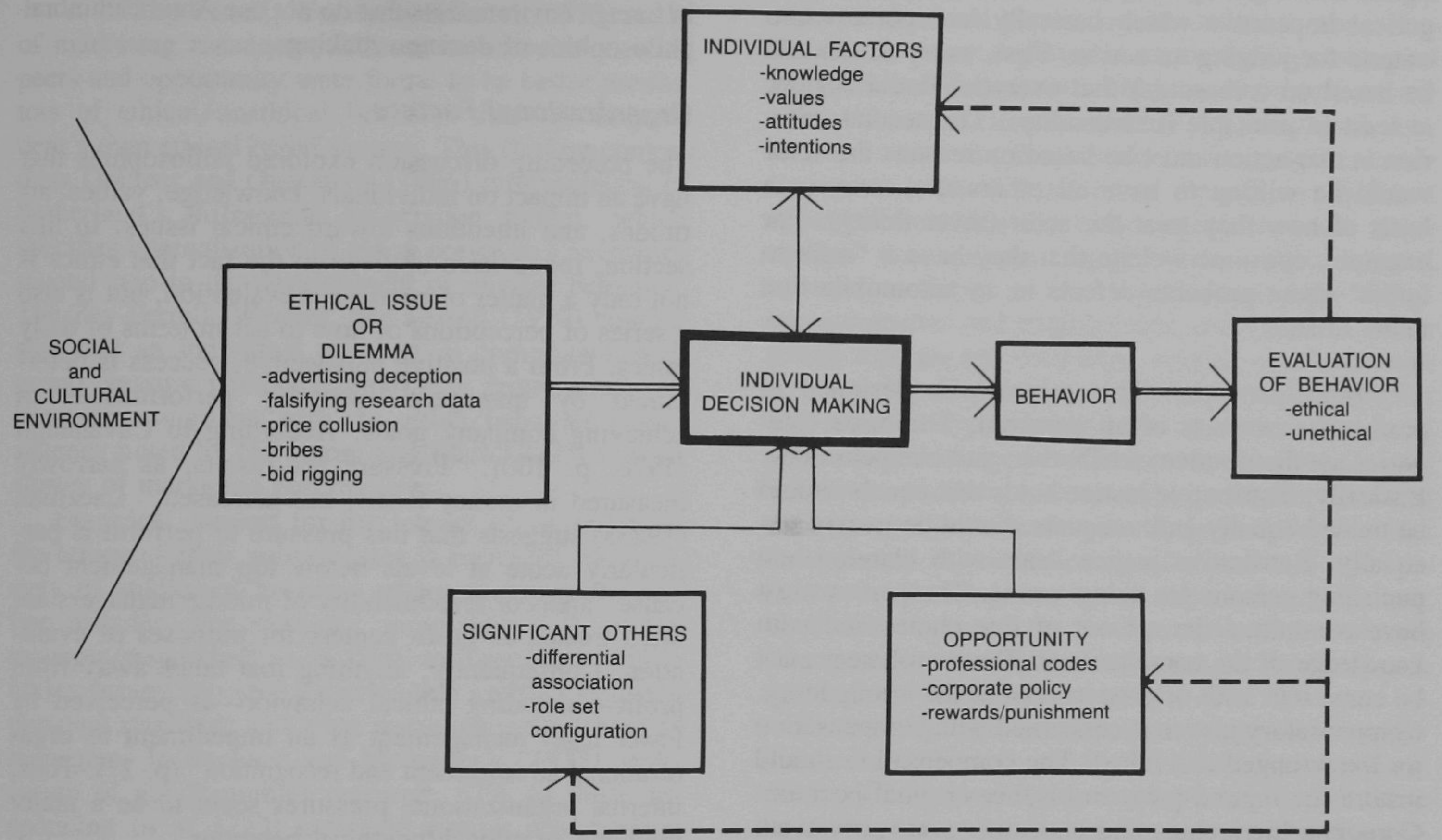
Constructs in the Contingency Framework

Individual Factors

It is impossible to develop a framework of ethical decision making without evaluating normative ethical standards derived from moral philosophy. Based on the emphasis of normative approaches in the literature, it is assumed that marketers develop guidelines and rules for ethical behavior based on moral philosophy. Various philosophies related to utilitarianism, rights, and justice explain how individuals create ethical standards.

The oldest approach to ethics is based on the study of moral philosophy. It is assumed that, knowingly or unknowingly, individuals may use a set of philosophical assumptions as a basis for making ethical decisions. This assumption about the influence of cultural

FIGURE 1
A Contingency Model of Ethical Decision Making in a Marketing Organization



and group norms/values on individual decision-making processes is soundly based in marketing literature (cf. Engel and Blackwell 1982, Fishbein and Ajzen 1975).

Philosophy divides assumptions about ethics into two basic types—teleological and deontological (Beauchamp and Bowie 1979). These two approaches differ radically in terms of judging ethical behavior. Teleological philosophies deal with the moral worth of behavior determined totally by the consequences of the behavior. One's choice should be based on what would be best for all affected social units. For many marketing decision makers, ethical action is tied into the business and their ability to meet company performance objectives (Sherwin 1983). The assumption is that the economic success of a firm's marketing activities should benefit employees, management, stockholders, consumers, and society. Utilitarianism is a teleological philosophy that attempts to establish morality not in the motives or intentions of marketers' decisions but in the consequences of such decisions (Velasquez 1982).

Utilitarianism. The act is ethical only if the sum total of utilities produced by the act is greater than the sum total of utilities produced by any other act. That is when the greatest possible balance of value for all persons is affected by the act. Under utilitarianism, it is unethical to select an act that leads to an inefficient use of resources. Also, it is unethical to engage in an act which leads to personal gain at the expense of society in general. Implicit in the utilitarian principle is the concept of utility and the measurement and comparison of value. For example, it may cost the public more through higher prices to redesign an automobile than to pay damages to a few people who are injured from a safety defect in the automobile.

Deontological philosophies stress the methods or intentions involved in a particular behavior. This focus on intentions is consistent with marketing theories of consumer choice (cf. Engel and Blackwell 1982, Howard 1977), which specify behavioral intentions as a cognitive precedent of choice behavior. Results of action are the focus of deontological philosophies. Standards to defend personal ethics are often developed from the types of deontological philosophies described in the following summaries (Velasquez 1982).

Rights principle. This principle specifies minimum levels of satisfaction and standards, independent of outcomes. Moral rights are often perceived as universal, but moral rights are not synonymous with legal rights. The rights principle is based on Kant's categorical imperative which basically incorporates two criteria for judging an action. First, every act should be based on a reason(s) that everyone could act on, at least in principle (universality). The second criterion is that action must be based on reasons the actor would be willing to have all others use, even as a basis of how they treat the actor (reversibility). For example, consumers claim that they have a "right to know" about probable defects in an automobile that relate to safety.

Justice principle. This principle is designed to protect the interests of all involved. The three categories are distributive, retributive, and compensatory. Basically, distributive justice holds that equals should be treated equally and unequals should be treated unequally. Retributive justice deals with blaming and punishing persons for doing wrong. The person must have committed the act out of free choice and with knowledge of the consequences. The punishment must be consistent with or proportional to the wrongdoing. Compensatory justice is concerned with compensation for the wronged individual. The compensation should restore the injured party to his/her original position. Corporate hierarchies and executive prerogatives are examples of distributive justice in practice. Antitrust legislation allowing criminal prosecution of corporate officials is based on the notion of retributive justice. Class action suits embody compensatory principles.

It is important to note that all of these philosophies produce standards to judge the act itself, the actor's intentions, or the consequences of the act. Also, these philosophies are based on assumptions about how one should approach ethical problems. Standards developed from utilitarianism, justice principles, and rights principles are used to socialize the individual to act ethically and may be learned with no awareness that the standards are being used. The precise impact of these philosophies on ethical behavior is unknown, but there is widespread acceptance in the marketing literature that such culturally derived standards impact on the decision-making process.

Ethical decision making may be influenced by the Individual Factors identified in Figure 1. Beliefs may serve as inputs affecting attitude formation/change and intentions to resolve problems. Also, evaluation or intention to act (or even think about an ethical dilemma) may be influenced by cognitive factors that result from the individual's socialization processes. It is at this stage that cultural differences would influence perceptions of problems. For example, variations in ethical standards are illustrated by what Mexicans call la mordida—*the bite*. The use of payoffs and bribes are commonplace to business and government officials and are often considered tips for performing required functions. U.S. firms often find it difficult to compete in foreign environments that do not use American moral philosophies of decision making.

Organizational Factors

The preceding discussion explored philosophies that have an impact on individuals' knowledge, values, attitudes, and intentions toward ethical issues. In this section, recognition is given to the fact that ethics is not only a matter of normative evaluation, but is also a series of perceptions of how to act in terms of daily issues. From a positive perspective, success is determined by managers' everyday performances in achieving company goals. According to Cavanaugh (1976, p. 100), "Pressure for results, as narrowly measured in money terms, has increased." Laczniak (1983a) suggests that this pressure to perform is particularly acute at levels below top management because "areas of responsibility of middle managers are often treated as profit centers for purposes of evaluation. Consequently, anything that takes away from profit—including ethical behavior—is perceived by lower level management as an impediment to organizational advancement and recognition" (p. 27). Thus, internal organizational pressures seem to be a major predictor of ethical/unethical behavior.

Significant Others

Figure 1 posits Significant Others as a contingency variable in individual decision making. Individuals do not learn values, attitudes, and norms from society or organizations but from others who are members of disparate social groups, each bearing distinct norms, values, and attitudes. Aspects of differential association theory and role-set theory provide theoretical rationales for including organizational factors in the decision framework. These theories, and empirical tests of their relevance to the ethical decision-making process, are discussed in the following sections.

Differential association theory. Differential association theory (Sutherland and Cressey 1970) assumes that ethical/unethical behavior is learned in the process of interacting with persons who are part of intimate personal groups or role sets. Whether or not the learning process results in unethical behavior is contingent upon the ratio of contacts with unethical patterns to contacts with ethical patterns. Cloward and Ohlin (1960) are responsible for incorporating an opportunity variable (discussed in a later section) in the differential association model of deviant behavior. Thus, as posited in our model, it is expected that association with others who are perceived to be participating in unethical behavior, combined with the opportunity to be involved in such behavior oneself, are major predictors of unethical behavior.

In the Zey-Ferrell, Weaver, and Ferrell (1979) study of marketing managers, differential association with peers and opportunity were found to be better predictors of ethical/unethical behavior than the respondent's own ethical belief system. This finding contradicts DeFleur and Quinncy's (1966) reformulation of Sutherland's differential association model, which specifies internalization of group norms as a necessary second step in the development of deviant behavior. The Zey-Ferrell, Weaver, and Ferrell (1979) conclusion that an individual may act in compliance with group pressure without internalizing group norms is, however, congruent with the value/behavior inconsistency noted by Newstrom and Ruch (1975) in their survey of marketing practitioners.

Empirical support for the impact of superiors on the ethics of their subordinates is provided by a variety of studies of business ethics spanning the last two decades. For example, more than 75% of the manager/respondents (n = 1200) to Baumhart's (1961) ethics survey reported experiencing conflict between personal standards and what was expected of them as managers. In Brenner and Molander's (1977) replication of the Baumhart research, 57% of those responding (n = 1227) indicated similar role conflict situations. Carroll (1975) found that young managers in business indicated they would go along with their superiors to demonstrate loyalty in matters related to judgment of morality. Almost 60% of the respondents (n = 236) agreed that young managers in the business world would have done just what junior members of Nixon's re-election committee had done. In Bowman's (1976) follow-up, an even higher percentage (70%) of public officials expressed this same opinion.

Central to the application of differential association theory to the model of ethical/unethical marketing behavior is the identification of referent others in the decision process. This perspective is provided via a consideration of the decision maker's (focal person's) role-set configuration.

Role-set theory. A role set refers to the complement of role relationships which focal persons have by virtue of their social status in an organization (Merton 1957). A role-set configuration is defined as the mixture of characteristics of referent others who form the role set, and may include their location and authority, as well as their perceived beliefs and behaviors. Previous evidence (Merton 1957, Miles 1977) suggests that role-set characteristics provide clues for predicting behaviors of a focal person.

One important dimension of role-set configuration appears to be the organizational distance between the referent other and the focal person. Organizational distance in this context is defined as the number of distinct intra- and interorganizational boundaries that separate the focal person and the referent other. Persons in the same department as the focal person tend to be least differentiated. They are hired and socialized within the same immediate organizational context and share the focal person's functional specialization and knowledge base. People in different departments within the same organization are more similar than people separated by organizational boundaries. Those in other organizations have different socialization and reinforcement under systems which pursue separate and sometimes varying objectives with different personnel selection criteria. Boundaries within and between departments serve to reduce the focal person's knowledge of referent others' attitudes and behaviors. Further, referent others outside the focal person's own organization are likely to differ from the focal person in orientation, goals, interests, and modus operandi. Thus, one would expect that the greater the distance between the focal person and the referent other, the less likely their influence on the focal person's ethical/unethical behavior.

In the only reported direct test of the distance hypothesis, Zey-Ferrell and Ferrell (1982) compared responses from ad agency account executives with those from their corporate clients. The expectation that neither of those groups would be perceived by the other as influencing their own behavior (due to the interorganizational distance involved) was confirmed. Further support for the distance proposition came from the ad agency respondent type. Peer group, the referent other closest to the focal person, was the strongest predictor of ethical/unethical behavior. But, for the corporate respondent, top management, rather than peer group, was the most influential. The latter finding does not support the distance hypothesis but is consistent with predictions deriving from the relative authority dimension of the role configuration.

The relative authority dimension is a measure of the amount of legitimate authority referent others have, relative to the focal person, on issues requiring contact between them. Kahn et al. (1964) view powerful referent others in a role set as those capable of restricting the range of behavior available to the focal person. They posit the status and powers of referent others as directly related to the amount of pressure they can exert on the focal person to conform to their role expectations. Thus a role set configured with referent others who are superior in authority relative to the focal person would be in a position to exert strong role pressures for compliance to their expectations. Applying this logic to business settings, one would anticipate that top management, as referent others with greater authority, would have more influence than peer groups on the focal person's ethical/unethical behavior.

The Baumhart (1961) and Brenner and Molander (1977) surveys support this relative authority proposition—*behavior of superiors* was perceived by respondents in both studies as the number one factor influencing ethical/unethical decisions. Similar results are also reported in a study by Newstrom and Ruch (1975). Hunt, Chonko, and Wilcox (1984) found the actions of top management to be the single best predictor of perceived ethical problems of marketing researchers. Ferrell and Weaver (1978) suggest that top management must assume at least part of the responsibility for the ethical conduct of marketers within their organization. In addition, the general conclusion that the ethical tone for an organization is set by upper management is common to most attempted syntheses of ethics research (cf. Dubinsky, Berkowitz, and Rudelius 1980; Laczniak 1983a; Murphy and Laczniak 1981).

Responses from the Zey-Ferrell and Ferrell (1982) ad agency executive sample do not support the authority proposition—this group was influenced by peers, rather than top management. The authors speculate that this unexpected outcome may have been attributable to the high frequency of contact among ad agency account executives and their relatively infrequent associations with superiors. Such an explanation is congruent with differential association theory and appears to indicate that frequency of contact with referent others is a more powerful predictor (than relative authority) of ethical/unethical behavior. Corporate client responses from the same survey also support a differential association explanation of the results obtained—top management, rather than peers, was perceived as the relevant referent other. In a corporation, the advertising director does not have a number of individuals at the same level with whom to interact. Thus, the frequency of interaction with upper management levels is usually higher for advertisers in corporations because the advertising director does not have anyone else performing the same job tasks.

Opportunity

Figure 1 depicts opportunity as having a major impact on the process of unethical/ethical decision making. Opportunity results from a favorable set of conditions to limit barriers or provide rewards. Certainly the absence of punishment provides an opportunity for unethical behavior without regard for consequences.

Rewards are external to the degree that they bring social approval, status, and esteem. Feelings of goodness and worth, internally felt through the performance of altruistic activities, for example, constitute internal rewards. External rewards refer to what an individual in the social environment expects to receive from others in terms of values externally generated and provided on an exchange basis. It is important to note that deontological frameworks for marketing ethics focus more on internal rewards, while teleological frameworks emphasize external rewards.

Cloward and Ohlin (1960) are responsible for incorporating an opportunity variable in the differential association model of ethical/unethical behavior. Zey-Ferrell and Ferrell (1982) empirically confirm that the opportunity of the focal person to become involved in ethical/unethical behavior will influence reported behavior. In this study, opportunity for unethical behavior was found to be a better predictor of behavior than personal or peer beliefs. Therefore, we can conclude that professional codes of ethics and corporate policy are moderating variables in controlling opportunity.

Weaver and Ferrell (1977) suggest that codes of ethics or corporate policy on ethics must be established to change individual beliefs about ethics. Their research indicates that beliefs are more ethical where these standards exist. Also, it was found that the enforcement of corporate policy on ethical behavior is necessary to change the ethical behavior of respondents. Their research discovered a poor correlation between ethical beliefs and ethical behavior. Opportunity was a better predictor of ethical behavior than individual beliefs. This research supports the need to understand and control opportunity as a key determinant (as indicated in Figure 1) in a multistage contingency model of ethical behavior.

A Contingency Framework for Ethical Decisions

A contingency framework for investigating behavioral outcomes of ethical/unethical decisions across situations is shown in Figure 1. The basic elements of the framework are: (a) the individual's cognitive structure—knowledge, values, beliefs, attitudes, and intentions; (b) significant others in the organizational setting; and (c) opportunity for action.

Figure 1 specifies that the behavioral outcome of an ethical dilemma is related to the first order interaction between the nature of the ethical situation and characteristics associated with the individual and the organizational environment. Potential higher order interactions are anticipated in the basic postulate. At this stage of development, there is no claim that this is an all-inclusive framework; rather, it is the initial step toward constructing such a framework.

Propositions from the Contingency Framework

Each of the constructs associated with the framework were discussed in the preceding sections. Some propositions incorporating the previously defined constructs are presented in the section that follows. These propositions are stated so that testable hypotheses can be derived to direct future research efforts. The elements and propositions discussed were selected on the basis of the past research and logical evidence used to construct the contingency framework in Figure 1. They are presented as a representative subset of potential propositions that can be derived from the paradigm.

Propositions Concerning the Individual Factors

Proposition 1: The more individuals are aware of moral philosophies for ethical decision making, the more influence these philosophies will have on their ethical decision.

a. Individuals will be influenced by moral philosophies learned through socialization, i.e., family, social groups, formal education.
b. Within the educational system, courses, training programs, and seminars related to ethics will influence ethical beliefs and behavior.
c. The cultural backgrounds of individuals will influence ethical/unethical behavior.

Propositions Concerning Organizational Factors

Proposition 2: Significant others located in role sets with less distance between them and the focal individual are more likely to influence the ethical behavior of the focal person.

a. Top management will have greater influence on the individual than peers, due to power and demands for compliance.
b. Where top management has little interaction with the focal person and peer contact is frequent, peers will have a greater influence on ethical behavior.

Proposition 3: In general, differential association (learning from intimate groups or role sets) predicts ethical/unethical behavior.

a. Internalization of group norms is not necessary to develop ethical/unethical behavior through differential association.
b. Unethical behavior is influenced by the ratio of contacts with unethical patterns to contacts with ethical patterns.

Propositions Concerning the Opportunity Variable

Proposition 4: The opportunity for the individual to become involved in unethical behavior will influence reported ethical/unethical behavior.

a. Professional codes of ethics will influence ethical/unethical behavior. Ethics related corporate policy will influence ethical/unethical behavior.
b. Corporate policy and codes of ethics that are enforced will produce the highest level of compliance to established ethical standards.
c. The greater the rewards for unethical behavior, the more likely unethical behavior will be practiced.
d. The less punishment for unethical behavior, the greater the probability that unethical behavior will be practiced.

Developing and Testing Contingency Propositions

The research program for developing and testing contingency hypotheses outlined by Weitz (1981) provides valuable guidance for future studies of marketing ethics. This program, recommended for tests of his contingency framework of effectiveness in sales interactions, is adaptable to examinations of ethical phenomena. The three stages of the research program are hypotheses generation, hypotheses testing in a laboratory environment, and hypotheses testing in a field setting.

Hypotheses Generation

The primary objectives of this step in the research program are to (1) add specificity to the propositions presented in the preceding section, i.e., move from "bridge laws" (Hunt 1983, p. 195) to research hypotheses; (2) identify additional propositions from the theoretical framework; and (3) develop a richer taxonomy of moderator variables within the Individual Factors, Significant Others, and Opportunity subsets.

Past studies of business ethics (cf. Darden and Trawick 1980; Dubinsky, Berkowitz, and Rudelius 1980), with their foci on identifying perceptions of ethical/unethical situations, provide a useful starting point for achieving the first objective of adding specificity to propositions. The theoretical framework of ethical decision making developed in this article requires identification of a variety of ethical issues to make the hypotheses derived from the specified relationships empirically testable. In addition, the practical and theoretical value of the proposed contingency framework can only be determined by testing its explanatory power *across* a variety of ethical situations.

Theories in use methodologies (Zaltman, LeMasters, and Heffring 1982) might be useful in generating additional theoretical propositions and developing a richer taxonomy of moderator variables, as well as in identifying a wide range of ethical dilemmas. Such methodologies involve observing and questioning marketing decision makers. Examples of how these techniques might be employed in ethics research include studies of verbal protocols recorded during the decision-making process, interviews with marketing practitioners concerning their behavior in specific decision situations, and investigations of the characteristics marketers use to classify ethical/unethical situations. Levy and Dubinsky (1983) have developed a methodology for studying retail sales ethics that applies the protocol technique. Their approach starts by generating situations that might be ethically troublesome to the retailer's sales personnel. This is first addressed by meeting with 8 to 12 retail sales personnel from different departments with a moderator to generate, individually and silently, ethical problems they confront on their jobs, and to record these on a sheet of paper.

Experimental Testing

Regardless of the procedure used to develop contingency hypotheses from the theoretical framework, the next step in the ethics research program is to test these hypotheses in a laboratory environment, using an experimental design. The advantages of laboratory experiments to researchers attempting to assess causal relationships between variables are widely recognized (cf. Cook and Campbell 1976) as including control of exogenous variables and elimination of potential alternative explanations for the results obtained. However, the difficulties involved in testing hypotheses concerning marketing ethics in lab settings is evidenced by the absence in the marketing/business literature of reports of such experiments. The subjective nature of self-report operationalizations of constructs from the ethical decision-making framework and the problem of achieving experimental realism (Carlsmith, Ellsworth, and Aronson 1976, p. 83) in laboratory tests of ethical issues represent major threats to the internal validity of these studies.

However, the management literature on collective bargaining contains numerous examples of laboratory studies of negotiation techniques (cf. DeNisi and Dworkin 1981, Johnson and Tullar 1972, Notz and Stark 1978), which are very similar to the type of experiment needed in ethics research, i.e., unobtrusive, experimenter-controlled predictor variables and clearly defined behavioral outcomes. Such studies illustrate how complex cognitive phenomena (e.g., attitudes) can be operationalized, manipulated, and measured while minimizing threats to internal validity.

Applying similar techniques to studies of marketing ethics might involve, for example, manipulating the "opportunity" to engage in unethical behavior through the presence/absence of specific experimenter instructions regarding the rules of the game, or varying the impact of significant others through the use of a confederate in experimental groups. Laboratory experiments represent quick and effective ways for testing behavioral propositions. In addition, the primary value of such studies to a research program for marketing ethics may well lie in the purification of existing measures of the constructs under consideration, as well as the development of new and more valid and reliable operationalizations.

Field Testing

The survey procedures used in earlier tests of some of the relationships posited in the theoretical framework of ethical decision making (Zey-Ferrell, Weaver, and Ferrell 1979) represent efficient and practical methods of examining these linkages. However, the correlational nature of the results obtained in these studies prohibits causal inference. In addition, the validity of the self-report measures used in these studies is open to question.

Future research programs on marketing ethics should address the latter problem in the laboratory testing phase. Lab studies focusing on the purification of existing measures of the constructs of interest and the identification of new and different measurement methods (e.g., physiological measures) may well result in the valid and reliable instruments needed for the field testing portion of the research program.

The ethical problems inherent in experimental manipulation of ethical issues/problems in field settings make solutions to the former problem much more difficult to overcome. Some of the hypotheses derived from the propositions presented earlier (e.g., those concerning the effects of corporate policy and training programs/seminars) are more amenable to field testing than others. For example, multi-unit corporations might institute training programs/seminars related to ethics at some locations and not at others. Before and after indices of ethical/unethical behavior (e.g., employee theft, customer complaints) could then be compared for the treatment and control units. Cook and Campbell (1976) indicate that "quasi-experimental" designs of this sort are acceptable surrogates for "true experiments" in field settings where random assignment of subjects to treatment control conditions is frequently impossible or impractical.

Nevertheless, the ethical issues and practical problems associated with random assignment of subjects to treatment conditions and unobtrusive assessment (or inducement) of ethical/unethical behavior present major obstacles to the implementation of experimental designs in field settings.

Conclusion

Research and theoretical development in marketing ethics have not been based on multidimensional models that are contingent in nature. Most articles in the field of marketing ethics focus on moral philosophies, researchers provide descriptive statistics about ethical beliefs, and correlational linkages of selected variables. This article attempts to integrate the key determinants of ethical/unethical behavior in a multistage contingency model. The framework is based on the assumption that the behavioral outcome of an ethical dilemma is related to first order interaction between the nature of the ethical situation and characteristics associated with the individual (cognitive factor), significant others, and opportunity. The framework provides a model for understanding the significance of previous theoretical work and empirical research and provides direction for future studies.

The contingency framework is process oriented, with events in a sequence causally associated or interrelated. The contingency variables represent situtional variables to the marketing decision maker. The complexity and precision of the framework developed in this paper should increase as research is conducted that permits more scientific conclusions about the nature of ethical decision making in marketing. Our framework is a start toward developing a comprehensive framework of ethical decision making. We have attempted to construct a simple and direct representation of variables based on the current state of research and theory development.

Propositions concerning individual factors and propositions concerning the organizational factors of significant others and opportunity were developed to be used in a research program for testing contingency hypotheses. Based on a research program for testing contingency hypotheses outlined by Weitz (1981), we suggest hypotheses generation, hypothesis testing in a laboratory environment, and hypothesis testing in a field setting. Both retail store management and field sales management provide excellent opportunities for testing the contingency framework in Figure 1. For example, Dubinsky (1985) has developed a methodology for studying the ethical problems of field salespeople as an approach for designing company policies. Dubinsky's methodology could be tested using the contingency framework of ethical decision making, hypotheses generation, laboratory testing, and field testing.

To develop new directions in research and theory construction, new propositions are needed to test the contingency framework. More research to develop a taxonomy of ethical standards (Velasquez 1982) and attempts to incorporate these standards into marketing (Fritzche 1985) are needed to understand more about individual factors related to beliefs, values, attitudes, or intentions. Attempts to develop logical decision rules for individual decision making (Laczniak 1983b) also contribute to understanding individual factors. Chonko and Burnett (1983) provide an example of descriptive research classifying individual beliefs about sales situations that are a source of role conflict. Their research may assist in developing additional propositions, especially as it relates to pinpointing new ethical issues. In addition, marketers should be able to draw from a rich source of research on organizational behavior to develop and test propositions related to significant others and opportunity.

The importance of ethical decision making in marketing is becoming more evident. Laczniak and Murphy (1985) suggest organizational and strategic mechanisms for improving marketing ethics, including codes of marketing ethics, marketing ethics committees, and ethics education modules for marketing managers. To improve specific recommendations for marketing ethics, more needs to be learned about the process of ethical decision making. We suggest an integrated approach to understanding marketing ethics with improved propositions that test the contingency model presented in this article. By taking a multidimensional view of ethical decision making, a new level of rigor in research should be achieved.

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