

# How Strong are the Ethical Preferences of Senior Business Executives?

T. K. Das

**ABSTRACT.** How do senior business executives rank their preferences for various ethical principles? And how strongly do the executives believe in these principles? Also, how do these preference rankings relate to the way the executives see the future (wherein business decisions play out)? Research on these questions may provide us with an appreciation of the complexities of ethical behavior in management beyond the traditional issues concerning ethical decision-making in business. Based on a survey of 585 vice presidents of U.S. businesses it was found that: (1) there is a distinct set of principles of ethical conduct that is considered favorable as opposed to another set considered unfavorable among a comprehensive list of 14 ethical principles; (2) the executives believed overwhelmingly that their own individual ethical preferences are better than those of other executives; (3) the strength of their preferences for ethical principles is associated with whether the executives are relatively near-future oriented or more distant-future oriented; and (4), there are very few significant differences in terms of gender, age, education level, private/public education,

prestigious/other schools, business/non-business academic backgrounds, and length of job experience. Implications of these findings are discussed.

**KEY WORDS:** senior business executives, ethical preferences, ethical valences, time, future orientations

## Introduction

The literature on ethical decision-making in business has understandably been growing rapidly in recent times in tandem with the increasing complexities of managing organizational activities (Badaracco and Webb, 1995; Geva, 2000; Goodstein, 2000; Gottlieb and Sanzgiri, 1996; Harris, 1990; Maclagan, 1998; Mudrack and Mason, 1996; Paine, 1996; Quinn et al., 1997; Robertson and Crittenden, 2003). It is becoming more and more difficult, in day-to-day practice, to adhere to multiple ethical principles in carrying out managerial functions. Often, these principles seem to militate against each other. However, we do not have adequate knowledge about the preferences of senior business executives for a full spectrum of ethical principles. There is a need, therefore, to better appreciate the manner in which business executives, especially the senior ones, view various ethical principles in their capacity as individual decision-makers operating in the flux of the modern managerial milieu.

## How do business executives rank various ethical principles?

In the research reported here, we investigate how executives rank their preferences for a set of 14 key principles of ethical conduct (see Appendix). The aim is to tap into individual beliefs about how they feel about each of a fairly large number of ethical

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principles. This comprehensive list of principles includes both the “unpopular” kind and the conventional “good” ones. Such a comprehensive approach appears practical because, as Primeaux (1992, p. 780) observes:

[W]e can no longer presume a common, universal, prevailing consensus for personal and corporate ethics. Neither academic philosophy, religious morality, or legal proscriptions command the kind of definitive, universal authority that we once thought they had. That is, we can no longer assume that everyone with whom we work ascribes to some single, all-encompassing ethical code.

Thus, by design, we exposed the executives to a wide variety of ethical principles. By running through the gamut of alternative principles, of various shades of “acceptability,” we hoped that the research would elicit a multifaceted view of an executive’s espousal of the principles of ethical conduct. We also explored several related questions. What are the relative preferential rankings of the various ethical principles? What are the kinds of conduct that business executives consider with high approval and what with low? Are there any differences in the ethical preferences as between men and women, younger and older, public and private education, business and non-business education, less and more job experience, and so on? Although ethics-related empirical questions have been studied within business settings, senior executives have rarely been the subjects of such investigations, especially with a comprehensive list of ethical principles as a choice-set.

## Method

Empirical testing in this study used data collected through a mail survey: A sample of 3572 vice presidents (VPs) was drawn from the list of U.S. business executives in *Standard and Poor’s Register of Corporations, Directors and Executives*, based on selected corporate functional titles such as Vice President of Planning, Engineering, Manufacturing, Personnel, Controller, etc. A four-page questionnaire was sent to the business executives, containing the two broad categories of items relating to preferences for selected ethical principles and future orientations, and certain demographic items (functional area,

gender, age, education level, school type, business experience, etc.). A total of 585 responses were usable for our analysis (16.3% response rate).

The responding VPs belonged to five functional areas, comprising production/manufacturing (103), marketing/sales (173), finance/accounting (165), research and development (60), personnel/human resources (13), and others (65). Regarding educational level, the bachelor’s degree was the highest degree for 299 VPs (51.1%), while 236 (40.3%) and 23 (3.9%) had master’s and doctoral degrees, respectively. Most respondents had their highest degree in either business (58.3%) or engineering (18.1%). There were only 25 female respondents (4.3%), and the average respondent was 50 years old and had 27 years of job experience. The age of the executives in the sample ranged from 27 to 81 years, and their experience from 6 to 64 years.

The VPs were furnished, as part of a questionnaire, with a list of 14 ethical principles, each explained in brief for a fair grasp of their meaning. In the Appendix, the 14 principles are set out in their entirety, as adapted from Steiner and Steiner (1988, pp. 357–366). A similar approach had been adopted by other researchers with samples of students and middle managers (Lewis, 1989). However, the principles were arranged alphabetically to preclude any kind of researcher preferential bias in the order of listing. The executives were asked to indicate their agreement or disagreement on a seven-point scale (from Strongly Disagree as “1” to Strongly Agree as “7”). The wording of the instructions in part was: “Please evaluate the following 14 principles of ethical conduct in terms of how important you, as a senior executive, consider them as ethical guides *in conducting yourself in business* (denoted by “I”), and how you consider *other senior executives* (denoted by “O”) actually conduct themselves in their business activities.” The participants were asked not to disclose their names, so as to insure the necessary anonymity for frank responses.

## Findings on ethical preferences

### “Positive” and “negative” principles

The responses for all the 14 principles is presented in Table I. The mean values clearly indicate that the

TABLE I  
Overall response statistics of ethical preferences

Ethical principle	Response percentages							Mean	S.D.
	Strongly disagree			Strongly agree					
	1	2	3	4	5	6	7		
Categorical Imperative	15.7	14.5	10.2	11.4	14.2	20.0	14.0	4.10	2.07
Conventionalist Ethic	41.0	25.0	11.5	6.0	8.4	5.3	2.7	2.43	1.70
Disclosure Rule	1.2	2.6	2.9	3.9	12.7	34.9	41.8	5.96	1.29
Golden Rule	2.7	2.9	1.2	2.4	5.1	24.5	61.1	6.22	1.40
Hedonistic Ethic	51.6	27.2	5.8	5.6	5.0	3.6	1.2	2.01	1.46
Intuition Ethic	11.5	17.0	12.5	11.8	20.8	21.6	4.8	3.97	1.83
Market Ethic	32.6	24.0	13.8	11.6	10.2	6.2	1.7	2.68	1.67
Means-Ends Ethic	59.3	25.5	7.7	2.6	2.7	1.2	1.0	1.72	1.18
Might-Equals-Right Ethic	64.6	20.9	5.6	3.8	2.4	1.5	1.2	1.68	1.23
Organization Ethic	8.6	10.3	12.6	11.7	19.6	24.6	12.6	4.48	1.85
Professional Ethic	6.4	11.7	9.5	10.1	14.9	25.3	22.2	4.80	1.91
Proportionality Principle	8.0	12.9	8.7	22.9	21.6	20.6	5.3	4.20	1.67
Revelation Ethic	41.8	15.2	6.2	15.2	10A	6.9	4.3	2.75	1.91
Utilitarian Ethic	8.1	12.9	11.1	15.6	26.8	20.1	5.5	4.22	1.69

executives consider the Golden Rule as the most favorable (mean of 6.22) and Might-Equals-Right Ethic the least (mean of 1.68).

We were also interested in finding out the proportions of the executives who agreed or disagreed with each of the principles (slightly, moderately, or

TABLE II  
Rankings of ethical preferences

Ethical principle	Mean	Percentage agree <sup>a</sup>	Percentage disagree <sup>b</sup>
<i>Positive</i>			
1 Golden Rule	6.22	90.8	6.8
2 Disclosure Rule	5.96	89.4	6.7
3 Professional Ethic	4.80	62.4	27.5
4 Organization Ethic	4.48	56.8	31.5
5 Utilitarian Ethic	4.22	52.3	32.1
6 Proportionality Principle	4.20	47.5	29.6
7 Categorical Imperative	4.10	48.2	40.4
8 Intuition Ethic	3.97	47.2	41.0
<i>Negative</i>			
1 Might-Equals-Right Ethic	1.68	5.1	91.1
2 Means-Ends Ethic	1.72	5.0	92.5
3 Hedonistic Ethic	2.01	9.7	84.6
4 Conventionalist Ethic	2.43	16.5	77.5
5 Market Ethic	2.68	18.1	70.3
6 Revelation Ethic	2.75	21.6	63.2

1 = Strongly disagree; 7 = Strongly agree.

<sup>a</sup> Agree = total of values 5, 6, and 7.

<sup>b</sup> Disagree = total of values 1, 2, and 3.

strongly). We therefore computed the respective total percentages of those who agreed and those who disagreed, as shown in the Table II. The table also lists the 14 principles under two groups, labeled “positive” and “negative,” in terms of whether a majority of executives agreed or disagreed with each principle. As evident from the ranking based on the means, the most “positive” ethical principle was the Golden Rule (with 90.8% approval), followed by the Disclosure Rule (89.4%), the Professional Ethic (62.4%) and five others, making a total of eight principles. For the obvious reason of its universal appeal, other studies have also found that the Golden Rule was consistently ranked first among all principles (see Carroll, 1990; Cunningham, 1998). Among the “negative” ethical principles, Might-Equals-Right Ethic (with 91.1% disapproval) ranked first, followed by the Means-Ends Ethic (92.5%), the Hedonistic Ethic (84.6%), and three others.

#### *Ethical preference differences among executives*

A further question had to do with whether men and women executives have any differences in their preferences for various ethical principles, as many researchers have enquired (e.g., Dawson, 1997). We found that the relative rank orderings of the means within each gender category are very similar. There were also no statistically significant differences in preferences based on gender in any of the ethical principles, except the Disclosure Rule (significance level 0.041) and Market Ethic (0.088), assuming a significance level of 0.10 in two-tailed *t*-tests appropriate for an exploratory study. We note that there is some likelihood of significant differences to exist between men and women executives in certain other ethical principles also, such as Intuition Ethic (significance level 0.102), but the relatively low number of women executives among the respondents precludes any conclusion on this point.

We also examined if there were differences in ethical preferences between executives up to 50 years of age and those who were older. Six of the 14 principles did indeed reflect significant differences. However, the more interesting information that emerged from the analysis was that the means of these particular preferences tended to be more accentuated among the older age group – that is, they were higher

for the positive principles and lower for the negative ones, as discussed earlier relative to Table II.

Following other researchers (e.g., Deshpande, 1997; Harris, 1990), we next examined the differences between executives in relation to: (a) education level, comparing up to bachelors degree and those with higher degrees; (b) private versus public school education; (c) attendance at prestigious versus other schools; (d) business versus non-business education; and (e) job experience, comparing up to 25 years of experience versus over 25 years. In all these cases, except for job experience, there were sundry instances of differences of means, but overall we conclude that there is no essential difference between the various demographic sub-groups of senior executives. For job experience, several significant differences can be discerned, more or less in line with what we found with the age variable, as the two variables capture substantially overlapping dimensions.

#### *“I am more ethical than others”*

We also investigated the validity of the widespread belief that individuals have a tendency to think that, compared to themselves, other persons are generally less ethical. Again, this belief has rarely been empirically tested, if at all, with a large sample of senior business executives.

As Table III clearly shows, we found overwhelming support for the contention that the executives believed their own individual ethical preferences to be “better” than those of other executives. This phenomenon is fairly well known, but our finding specifically with senior business executives is, so far as we know, distinctive in the business ethics literature.

#### **Are ethical preferences related to time orientations?**

##### *How do business executives look at the future?*

To the extent these ethical preferences may have potential impact on the conduct of life (including organizational and professional life), we need to

TABLE III  
Ethical preference differences between self and others

Ethical principle	Mean preference		Significance level of <i>t</i> -test (one-tailed)
	Self ( <i>n</i> = 585)	Others ( <i>n</i> = 585)	
Categorical Imperative	4.10	4.01	0.170
Conventionalist Ethic	2.43	3.90	0.000
Disclosure Rule	5.96	5.24	0.000
Golden Rule	6.21	5.19	0.000
Hedonistic Ethic	2.00	3.12	0.000
Intuition Ethic	3.97	4.16	0.001
Market Ethic	2.69	3.77	0.000
Means-Ends Ethic	1.72	3.01	0.000
Might-Equals-Right Ethic	1.68	2.95	0.000
Organization Ethic	4.48	4.50	0.719
Professional Ethic	4.81	4.42	0.000
Proportionality Principle	4.20	4.31	0.041
Revelation Ethic	2.75	2.71	0.605
Utilitarian Ethic	4.22	4.37	0.004

1 = Strongly disagree; 7 = Strongly agree.

explore whether there is an association between the ethical preferences of the executives and their own individual temporal orientations. The perception of the future – the time segment in which decisions unfold – is crucial for understanding the relevance and impact of individual ethical preferences.

The subject of individual future orientations of business executives has attracted considerable research attention in recent years (Das, 1986, 2004). The literature in various disciplines shows that people have inherent differences in their orientation toward the flow of time (Bluedorn, 2002; Cohen, 1981; Cottle, 1976; Doob, 1971; Fraisse, 1963). In particular, individual orientation toward the future may differ in the relative degree of cognitive dominance of the near versus the distant future. This basic individual perspective on the future would influence a person's general view of an undulating future in which certain life events occur (Cottle, 1968; Doob, 1971; Kastenbaum, 1961; Kelly, 1958).

Research on individual time perspective can be found in various disciplines, but very little of this can be related directly to business, especially in the area of principles of ethical conduct. That individuals experience the passage of time differentially is amply

demonstrated both in everyday life and in the literature. Indeed, the subjective experience of a time perspective is a common notion in various disciplines. In psychology, definitions of time perspective generally posit an inner life-space in which the individual has bestowed a meaningful order among events. The rationale for studying time perspective, especially that relating to the future, has been indicated by Cohen (1981, p. 262) in the following words: "A subjective future is supposed in all our activities. ... Implicit in all our actions are plans, however vague and inarticulate, for the future, and sometimes, as in saving and investment, this planning is deliberate." The anticipation of the time yet to come about would play a dominant role in the formation of an individual's time perspective (Fraisse, 1963; Thomae, 1981). As Fraisse (1963, p. 176) elaborates:

This anticipation is a form of construction determined by the individual. It borrows from his past experience, but it is prompted by his present desires and fits into framework of what he considers to belong to the realm of possibility... This control over time is essentially an individual achievement conditioned by everything which determines personality: age, environment, temperament, experience. Each individual has his own perspective.

In this study, the executives have been classified in terms of their individual perspectives on the future. The timing and ordering of individual future personalized events constitute the "future time perspective" (Doob, 1971; Kastenbaum, 1961). The reference is to the number of future personalized events listed in a free response situation and their distribution over various subzones of the future time dimension. A person with a relatively near-future time perspective is one who anticipates that the most important events in his or her life would be occurring relatively sooner than the person with a distant-future orientation. This classification has been made on the basis of a modified version of the Experiential Inventory used extensively by various researchers (e.g., Cottle 1968, 1976; Das, 1986).

#### *Future orientation and ethical valence*

The individual-specific conception of the future time dimension would constrain choices of action in the present in so far as these actions impact the quality and character of one's individual future. A business executive, therefore, who has a relatively distant-future orientation would be able to visualize more clearly the likely obstacles in the way of consistently adhering to particular ethical behaviors in the extended course of one's life and career. To such a person, there is available a relatively generous time-space field in which various real-life difficulties in adhering to ethical principles could, and hence also would, arise and have to be contended with. Against the backdrop of an extended, long-spread, attenuated future, the belief in ethical principles is rendered that much more problematic.

Thus, a heightened awareness of future developments would be more likely to influence an executive toward a more realistic assessment of the ability to comply with ethical principles, instead of unthinkingly responding to the idealistic meanings inhering in the principles. Here, the relevant phenomenon is the *strength* or *intensity* with which the executive has preferences for ethical principles, which we call "ethical valence." We would expect, therefore, that distant-future oriented executives will tend to have relatively low ethical valence.

By comparison, the near-future oriented executive, who by definition is unable to comprehend or "grasp"

the longer-term future time dimension, will be less likely to appreciate the difficulties in adhering to ethical behavior in his or her life and career path, and hence feel more strongly (high valence) about the principles. The scope for perceived difficulties in living up to ethical principles would thus seem to be less for the near-future oriented type of executive, as all the potentiality of the future would be condensed into a smaller time-space field. This perceptually accentuated density of a short-spread future connotes a reduced range of potential difficulties in ethical conduct. Thus, the near-future oriented executive would be likely to "telescope" the potential future onto a smaller canvass than would a distant-future person, which of course translates to less perceived scope for difficulties in adhering to the principles of ethical conduct, permitting a stronger belief in the principles.

#### *Ethical valence differences among executives*

For analyzing the data on ethical valences, the responses on preferences for ethical principles were re-coded to compute the ethical valences by constructing a new variable with values of 0, 1, 2 and 3 from the original responses of the values, respectively, of "4", "3 and 5", "2 and 6", and "1 and 7." As discussed earlier the ethical valence relating to a particular principle reflects the intensity of preference, ranging from a value of "0" representing "neutral valence" to a value "3" denoting "strong valence."

The distribution of all the 14 ethical valence means is presented in Table IV. The table also gives the proportions of executives who had low valences (neutral and slight) and high valences (moderate and strong) for each principle. The mean values clearly indicate that the most strong valence among the executives is for the Golden Rule (mean of 2.53), followed by Might-Equals-Right Ethic (2.50) and Means-Ends Ethic (2.45). This is also the ranking in terms of the percentages having high valence (91.3, 88.2, and 87.0 respectively). The most evenly split principle in terms of low and high valence is the Utilitarian Ethic (53.5 and 46.5%).

In terms of demographic attributes, we examined whether there were any significant differences in the mean valences within the various categories. These included the distribution of means of ethical valences

TABLE IV  
Low and high ethical valences

Ethical principle (V)	Mean valence	Percentage "low valence" <sup>a</sup>	Percentage "high valence" <sup>b</sup>
Categorical Imperative (V)	1.83	35.8	64.2
Conventionalist Ethic (V)	2.12	25.9	74.1
Disclosure Rule (V)	2.20	19.5	80.5
Golden Rule (V)	2.53	8.7	91.3
Hedonistic Ethic (V)	2.31	16.4	83.6
Intuition Ethic (V)	1.59	45.1	54.9
Market Ethic (V)	1.87	35.5	64.5
Means-Ends Ethic (V)	2.45	13.0	87.0
Might-Equals-Right Ethic (V)	2.50	11.8	88.2
Organization Ethic (V)	1.66	43.9	56.1
Professional Ethic (V)	1.84	34.5	65.5
Proportionality Principle (V)	1.37	53.2	46.8
Revelation Ethic (V)	1.99	31.8	68.2
Utilitarian Ethic (V)	1.44	53.5	46.5

V = Valence.

0 = Neutral; 1 = slight valence; 2 = moderate valence; 3 = strong valence.

<sup>a</sup> Low valence = total of values 0 and 1.

<sup>b</sup> High valence = total of values 2 and 3.

of the executives according to their functional areas, education level, type of school they attended, the discipline of their highest degree, and their majors if the degree was in business. In all these cases, except for age and job experience, there were sundry instances of differences of means, but overall we conclude that there is no essential difference between the various demographic sub-groups of executives. A further question has to do with whether men and women executives have any differences in their valences for various ethical principles. We found that the relative rank orderings of the means within each gender category were very similar. There were also no statistically significant differences in valences based on gender in any of the ethical principles except the Golden Rule, for which the women executives seem to feel more strongly than do men executives. For job experience, several significant differences could be discerned, more or less in line with age, as the two variables capture substantially overlapping dimensions.

As in the case of ethical principles, the executives clearly believed their own individual ethical valences to be "better" (in the sense of being felt in a more definitive or stronger way) than those of other executives (see Table V).

#### *Findings on individual future orientations and ethical valences*

The study shows significant differences between the ethical valences of near-future and distant-future oriented executives (see Table VI). The data for the variable individual future orientation were elicited with a short instrument, developed by Das (1986), based on the work of Cottle (1968). The relevant questionnaire item essentially asks subjects to make a list of 10 important events that they expect to happen in their own personal lives, and then to categorize the occurrence of each of those events in terms of various time zones: (1) very near-future; (2) near-future; (3) distant-future; and (4) very distant-future. The Future Orientation score of each subject was calculated by taking the average of the values furnished for the 10 events. Two groups were then constituted, termed near-future and distant-future, by bifurcating the future orientation variable at value 2.4. As will be observed, in 9 out of the 14 principles the differences are statistically significant (7 at the 0.05 level and 2 at the 0.10 level). Of course, when we consider all the 14 ethical principles together, the two temporal groups among executives differed very significantly (at the 0.000 level). Thus, in terms of

TABLE V  
Ethical valence differences between self and others

Ethical principle	Mean valence		Significance level of <i>t</i> -test (one-tailed)
	Self ( <i>n</i> = 585)	Others ( <i>n</i> = 585)	
Categorical Imperative (V)	1.82	1.41	0.000
Conventionalist Ethic (V)	2.12	1.66	0.000
Disclosure Rule (V)	2.19	1.60	0.000
Golden Rule (V)	2.52	1.64	0.000
Hedonistic Ethic (V)	2.31	1.59	0.000
Intuition Ethic (V)	1.59	1.21	0.000
Market Ethic (V)	1.87	1.46	0.000
Means–Ends Ethic (V)	2.44	1.72	0.000
Might–Equals–Right Ethic (V)	2.50	1.80	0.000
Organization Ethic (V)	1.66	1.36	0.000
Professional Ethic (V)	1.83	1.33	0.000
Proportionality Principle (V)	1.37	1.11	0.000
Revelation Ethic (V)	1.99	1.67	0.000
Utilitarian Ethic (V)	1.45	1.25	0.000

V = Valence.

0 = Neutral; 1 = slight valence; 2 = moderate valence; 3 = strong valence.

TABLE VI  
Ethical valence differences between near-future and distant-future oriented executives

Ethical principle	Mean Valence		Significance level of <i>t</i> -test (one-tailed)
	Near-future orientation <sup>a</sup> ( <i>n</i> = 185)	Distant-future orientation <sup>b</sup> ( <i>n</i> = 141)	
Categorical Imperative (V)	1.92	1.65	0.008
Conventionalist Ethic (V)	2.14	2.02	0.140
Disclosure Rule (V)	2.42	1.96	0.000
Golden Rule (V)	2.66	2.48	0.005
Hedonistic Ethic (V)	2.37	2.35	0.416
Intuition Ethic (V)	1.71	1.55	0.056
Market Ethic (V)	1.96	1.72	0.023
Means–Ends Ethic (V)	2.48	2.46	0.407
Might–Equals–Right Ethic (V)	2.49	2.58	0.156
Organization Ethic (V)	1.77	1.52	0.009
Professional Ethic (V)	1.90	1.76	0.106
Proportionality Principle (V)	1.51	1.30	0.025
Revelation Ethic (V)	2.03	1.82	0.049
Utilitarian Ethic (V)	1.54	1.46	0.228

V = Valence.

0 = Neutral; 1 = slight valence; 2 = moderate valence; 3 = strong valence.

<sup>a</sup> Near-future orientation = values up to 2.4.

<sup>b</sup> Distant-future orientation = values over 2.4.



the key question of the relationship between temporal orientations and ethical valences, the study confirms that the near-future oriented executives had consistently higher ethical valence than their more distant-future oriented compatriots. Both conceptually and empirically, this finding, for the first time, links the temporal orientation of an individual with what we have called ethical valence, or the strength of preference for ethical principles.

### **Conclusion and implications**

We investigated the preferences for a selected set of 14 principles of ethical conduct, using a large sample of senior business executives in the United States. The executives were asked in a survey how much they agreed or disagreed with each of these principles as ethical guides in their own lives, as well as how they perceived the conduct of other executives in terms of the same principles.

We analyzed the distribution of ethical preferences and tested for significant preference differences in various subsets of the sample, such as men/women, younger/older age, lower/higher education level, public/private education, prestigious/other schools, business/non-business academic backgrounds, and less/more job experience. We found that the ethical preferences had fairly stable patterns. Overall, the analysis showed the totality of ethical views of the senior business executives as a group. The advantage of having a fairly comprehensive set of ethical preferences is evident when we consider that any single principle would be a poor indicator of guidance in practical terms. This point has been cogently made by Carroll and Buchholtz (2000, pp. 141–142): “The more one gets into each principle, the more one realizes how difficult it would be for a person to use each principle consistently as a guide to decision making.”

Second, our analysis also confirmed that business executives, as individuals, believed that other executives were significantly less principled in their ethical conduct. This phenomenon is well recognized, but our study sheds empirical light on an important segment of the business population, namely, senior business executives. The implications are clear in terms of how an executive would function in business negotiations that necessarily

involve a certain amount of trust and predictability about the behavior of different parties. Some knowledge of which ethical principles attract the least and most divergence between self and others should be helpful. A greater divergence, for instance, would tend to accentuate the intensity of either trust or mistrust in the other party, depending on the decision situation and whether the particular ethical principle is viewed as favorable or unfavorable.

We also proposed in this paper the idea of ethical valence, or the intensity with which an individual agrees or disagrees with an ethical principle. By having a single measuring scale for both favored and disfavored ethical principles, we are enabled to explore linkages between an ethics-based notion (ethical valence) and other cognitive variables, such as future orientation.

Whereas other individual difference variables, such as locus of control, have been examined in the literature (Bass et al., 1999; Dollinger and LaMartina, 1998; Hunt and Vitell, 1986; Jones, 1991; Lennings, 1994; Treviño, 1986; Treviño and Youngblood, 1990), the use of ethical valence as a construct should facilitate the comparison and aggregation of different kinds of ethical principles, because it furnishes us with a common metric based solely on the strength or intensity of preference for an ethical principle. The same argument would apply to exploring linkages of ethical valences with personality traits (Moberg, 1999; Rayburn and Rayburn, 1996), hindsight bias (Sligo and Stirton, 1998), and contextual bias in ethical judgment (Boyle et al., 1998).

Lastly, we explored a linkage between individual temporal orientation and ethical valence. For the first time in the literature, this linkage was proposed and largely confirmed, with the data showing that near-future oriented executives demonstrated stronger valence than their distant-future oriented counterparts. We feel that the temporal dimension of ethical valence has potential for further analysis in relation to other individual cognitive characteristics, such as locus of control and intolerance of ambiguity, as well as personality traits. This line of research seems promising.

The implications of this study for managerial practice are in two broad areas. First, the fact that the ethical valences are associated with the individual future orientations of executives tends to challenge the traditional conception of an undifferentiated

ethical preference environment for all organizational members. Thus far, the assumption has been that the internal ethical environment is more or less the same for all executives in a business organization. The research reported shows empirically that this may not be true. Indeed, the variations in ethical valence are quite substantial among organizational members, so that the organizational decision-making processes would be that much more complex with multiple participating executives. The second implication is that once managements become aware of the existence of differences regarding ethical preferences and valences, they can begin to incorporate that insight into the design of their decision-making apparatus. In a simple and immediate way, the mere awareness of the phenomenon may lead to a more comprehensive approach to assessing the effectiveness of decision processes involving substantive ethical questions. This is in line with the existing analogous case of factoring in such attributes as risk-taking propensities, ideologies, values, etc. The question of differential executive propensities for various aspects of the ethical universe is thus a question that managements would need to address in evaluating the effectiveness of their decision-making processes.

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## Appendix

### *Descriptions of Ethical Principles*

1. *The Categorical Imperative*: Act only according to that maxim by which you can at the same time “will” that it should become a universal law. In other words, one should not adopt principles of action unless they can, without inconsistency, be adopted by everyone else.

2. *The Conventionalist Ethic*: Individuals should act to further their self-interests so long as they do not violate the law. It is allowed, under this principle, to

bluff (lie) and to take advantage of all legal opportunities and widespread practices and customs.

3. *The Disclosure Rule*: If the full glare of examination by associates, friends, family, newspaper, television, etc. were to focus on your decision, would you remain comfortable with it? If you think you would, it probably is the right decision.

4. *The Golden Rule*: Do unto others as you would have them do unto you. It includes not knowingly doing harm to others.

5. *The Hedonistic Ethic*: Virtue is embodied in what each individual finds meaningful. There are no universal or absolute moral principles. If it feels good, do it.

6. *The Intuition Ethic*: People are endowed with a kind of moral sense with which they can apprehend right or wrong. The solution to moral problems lies simply in what you feel or understand to be right in a given situation. You have a “gut feeling” and “fly by the seat of your pants.”

7. *The Market Ethic*: Selfish actions in the marketplace are virtuous because they contribute to efficient operation of the economy. Decision-makers may take selfish actions and be motivated by personal gains in their business dealings. They should ask whether their actions in the market further financial self-interest. If so, the actions are ethical.

8. *The Means-Ends Ethic*: Worthwhile ends justify efficient means, i.e., when ends are of overriding importance or virtue, unscrupulous means may be employed to reach them.

9. *The Might-Equals-Right Ethic*: Justice is defined as the interest of the stronger. What is ethical is what an individual has the strength and power to accomplish. Seize what advantage you are strong enough to take without respect to ordinary social conventions and laws.

10. *The Organization Ethic*: The wills and needs of individuals should be subordinated to the greater good of the organization (be it church, state, business, military, or university). An individual should ask whether actions are consistent with organizational goals and what is good for the organization.

11. *The Professional Ethic*: You should do only that which can be explained before a committee of your peers.

12. *The Proportionality Principle*: I am responsible for whatever I “will” as a means or an end. If both the means and the end I am willing are good in and

of themselves, I may ethically permit or risk the foreseen but unwilling side effects if, and only if, I have a proportionate reason for doing so.

13. *The Revelation Ethic*: Through prayer or other appeal to transcendent beings and forces, answers are given to individual minds. The decision-makers pray, meditate, or otherwise commune with a superior force or being. They are then apprised of which actions are just and unjust.

14. *The Utilitarian Ethic*: The greatest good for the greatest number. Determine whether the harm in an action is outweighed by the good. If the action maximizes benefit, then it is the optimum course to take among alternatives that provide less benefit.

(Adapted from Steiner and Steiner, 1988, pp. 357–366).

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