Personal Values: Potential Keys to Ethical Decision Making

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ABSTRACT. Personal values have long been associated with individual decision behavior. The role played by personal values in decision making within an organization is less clear. This study examines the relationship between personal values and the ethical dimension of indicated decisions utilizing discriminant analysis. Past research has found that managers tend to respond to ethical dilemmas situationally. The study examines personal values as they relate to four types of ethical dilemmas.

Values and behavior

There is a growing body of empirical literature examining values and business ethics. England (1968) appeared to be the first to investigate "ethically-morally oriented" values in his seminal work on management values. Other studies include values held by managers (Lincoln et al., 1982; Posner and Schmidt, 1984), comparisons of values across different groups (Frederick and Weber, 1987; Nystrom, 1990), a comparison of individual and organizational value systems (Liedtka, 1989) and corporate ethical values and organizational commitment (Hunt et al., 1989).

The data from the above studies on values and their importance to different groups of managers are very enlightening. However, there has been no empirical linkage of values and the ethical dimension of decision making. Numerous authors have argued that personal values play an important role in influencing the behavior of managers (England, 1967; Christensen et al., 1987; Freeman and Gilbert, 1988). If that is true, one would expect personal values to influence the ethical dimension of decisions. The current study is an initial attempt to uncover such a relationship.

If specific values can be identified which are linked to ethical behavior, they would provide powerful tools for managers who want to maintain high standards of ethical behavior in their organizations. When hiring, candidates could be screened on the basis of their values. Selection could then be made from the candidate pool which holds values associated with ethical actions. Job assignments for existing employees could benefit from knowledge of employee values. Positions which provide significant opportunities for unethical behavior could be filled with employees who hold values which encourage ethical action.

Before proceeding further, we need to clarify the meaning of values. Values have been defined in a variety of ways including: "A Value is a conception, explicit or implicit . . . of the desirable which influences the selection from available modes, means, and ends of action." (Kluckhohn, 1951); "A value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" (Rokeach, 1973); and "... as normative beliefs about proper standards of conduct and preferred or desired results" (Nystrom, 1990). While definitions differ, there appears to be general agreement that values influence behavior.

Social adaptation theory describes values as a type of social cognition that facilitates an indi-
Values, the most abstract of the social cognitions, reflect the most basic characteristics of adaptation. They serve as the basis from which attitudes and behaviors are created (Homer and Kahle, 1988).

Numerous scholars have suggested that behavior is a result of values and attitudes. Both Connor and Becker (1979) and Homer and Kahle (1988) propose that values provide the basis for the development of individual attitudes which lead to specific decision-making behavior. Williams (1968) states that a person's values serve as "the criteria or standards of preference". He argues that values have cognitive, affective and directional aspects which when fully conceptualized become criteria for judgment, preference and choice (1979). While he does not address attitudes, he claims "actual selections of behavior result from concrete motivations in specific situations which are partly determined by prior beliefs and values of the actor" (1979).

Several recent decision models incorporate values as an influence on the ethical dimension of decision making. Ferrell and Gresham (1985) cited values and attitudes as individual factors which influence individual decision making in their Contingency Model of Ethical Decision Making. Fritzsche (1991) specified individual instrumental and terminal values as the initial input for his Model of Decision-Making Incorporating Ethical Values. There appears to be agreement among most business ethics scholars that personal values play a role in the ethical dimension of decision making.

Recent research indicates managers tend to believe that their organizations are guided by high ethical standards (Posner and Schmidt, 1987, 1992). The newly formed Business Enterprise Trust publicly recognizes exemplary acts guided by such standards (Bennett, 1991). In contrast, the business press continually reports ethical transgressions committed by organizations (e.g. Sethi and Chopra, 1991). This dichotomy of behavior suggests that decision makers may be influenced by different sets of values or value systems.

"It is the rare and limiting case", Robin Williams (1968) argues "if and when a person's behavior is guided over a considerable period of time by one and only one value. . . . More often particular acts or sequences of acts are steered by multiple and changing clusters of values". A series of clusters of values together form a person's value system consisting of a value hierarchy or priority structure based upon the relative importance of the individual values. Williams (1979) further states that: "A value system is an organized set of preferential standards that are used in making selections of objects and actions, resolving conflicts, invoking social sanctions, and coping with needs or claims for social and psychological defenses of choices made or proposed". Rokeach (1973) argues that: "A value system is an enduring organization of beliefs concerning preferable modes of conduct or end states of existence along a continuum of relative importance".

England (1968) developed a Personal Values Questionnaire in which he asked managers to evaluate the importance of 66 values. He then attempted to determine the rationale behind each importance response by obtaining a measure of the value on a success scale, a right scale and a pleasant scale. He interpreted high responses on the right scale as indicating an ethical-moral orientation. The most important ethical-moral orientation values were loyalty, trust and honor. Approximately one-fourth of his sample tended to justify high importance judgments on the basis of being right.

Much of the research in business ethics has utilized Rokeach's (1973) Values Survey. The Survey contains a set of eighteen instrumental values which relate to "modes of conduct" and eighteen terminal values which are associated with "end-states of existence". Rokeach categorized the instrumental values as being moral or competence values and the terminal values as being personal or social values. He described moral values as referring to "... certain kinds of instrumental values, to those that have an interpersonal focus which, when violated, arouse pangs of conscience or feelings of guilt for wrongdoing" (Rokeach, 1973).

Schmidt and Posner (1982) surveyed 6,000 executives and managers using Rokeach's instru-