ABSTRACT. Since there have been many recent occurrences of alleged wrongdoing by business persons and other professionals, it seems additional ethics research is needed to obtain knowledge that will impact real-world behavior. An empirical study assessed business students’ impressions of hypothetical wrongdoers and whistleblowers. To some extent, impressions of an unethical executive and a whistleblower were influenced by the same variables and in opposite directions. Female respondents judged the unethical executive less favorably and the whistleblower more favorably than did males. The executive was rated less favorably and the whistleblower more favorably when the executive sought a small gain than when the goal was a large gain or prevention of a loss of either magnitude. Some manipulations, however, impacted impressions of one actor, but not the other. Perhaps ethics training can make students aware that issue framing and moral intensity components may bias decisions.

KEY WORDS: attributions, decision-making bias, ethical judgments, moral intensity, whistle-blowing

Introduction

Corporate wrongdoing, political scandals, and scholarly misconduct have all been featured prominently in recent news reports. Despite the recent publication of a large number of ethics research studies, much still needs to be done to acquire a body of knowledge that will impact real-world behavior. Since most of us appear to be at the conventional level of moral development and greatly influenced by others as we make moral judgments (Kohlberg, 1976), it is potentially useful to better understand the factors that influence our impressions of others’ responses to ethical dilemmas. This paper reports an empirical study focusing on observers’ impressions of hypothetical, unethical decision makers and whistleblowers.

The framing of a decision is one factor that has been shown to often affect observers’ judgments of unethical actors. More specifically, unethical actions have been, in some instances, judged less harshly if they are intended to avoid a loss than if their purpose is to achieve a gain (Decker, 1994b; Reeder and Spores, 1983). This is consistent with Kahneman and Tversky’s (1984) prospect theory which proposes that individuals are relatively risk averse for gains and risk seeking with respect to potential losses; i.e., “a loss of $X is more aversive than a gain of $X is attractive” (Kahneman and Tversky, 1984, p. 342). As McLain and Keenan (1999) noted, an individual responding to a situation where a loss is highly possible may feel greater motivation to select a risky response than in a situation where a net gain is more likely. Since an ill-gotten gain often takes away something that a victim already has while the unethical prevention of a loss does not, the actor’s seeking a gain may be viewed as having a less acceptable consequence than the actor attempting to prevent a loss of the same magnitude.
Since some studies have not verified this framing effect (Decker, 1989, 1990; Livingstone, 1989), it is possible that the relationship between the goal of the action (obtaining a gain or preventing a loss) and observers’ impressions of the actor is mediated by other variables. One possible reason for the inconsistencies in results is that Decker (1989, 1990, and Livingstone (1989) used considerably smaller sample sizes than did the Decker (1994b) study while Reeder and Spores (1983) used a relatively small sample but a within-subject design. Another difference among studies is that Decker’s (1994b) scenarios mentioned victims of the unethical behavior, while in Decker’s (1989, 1990), and Livingstone (1989) scenarios, no reference to victims was made. The Reeder and Spores (1983) study did not explicitly mention victims, but did obtain a relationship between the goal of the action and the observers’ impressions of the actor. However, their study is not comparable with the others since the consequences in the scenario involved career success not finances. The focus on career success may have provided a relatively high degree of “proximity,” one of six components of moral intensity identified by Jones (1991). Jones described proximity as the degree to which an actor can identify with potential victims or beneficiaries. Reeder and Spores’ (1983) respondents may have been better able to identify with career issues that they would with corporate financial issues and also recognize the harm an ill-gotten career gain would do to others even if it were not explicit in the scenario.

The extent to which unethical actions to obtain gains or prevent losses are judged differently may also depend on the magnitude of the potential gain or loss. The magnitude of consequences was another of the six moral intensity components identified by Jones (1991). Several studies have yielded evidence that serious negative consequences (e.g., harm to victims) were more likely to prompt ethical behavior (or at least recognition of moral issues, ethical behavioral intentions, or moral judgments as to what actions should be taken) than were modest consequences (e.g., Barnett and Valentine, 2004; Chia and Mee, 2000; Flannery and May, 2000; Frey, 2000; Fritzsche, 1988; Fritzsche and Becker, 1982; May and Pauli, 2002; Singhapakdi et al., 1996). Since consequences can be positive as well as negative, Morris and McDonald (1995) divided consequence magnitude into “magnitude of costs” and “magnitude of benefits.” While higher costs yielded more ethical judgments, higher benefits (to the actor) resulted in less ethical decisions as to what an actor in a scenario should have done. Similarly, Church et al. (2005) found that behavior in a laboratory experiment became less ethical as potential economic gain increased. The findings with respect to benefits from unethical decisions seem consistent with those of Fritzsche (1988) since Fritzsche’s bribery scenarios varied the size of the bribe to be paid while the payoff was held constant. Therefore, the larger the bribe, the smaller the profit. The least ethical decisions were made when the required bribe was low and the resulting profit high.

Since Fritzsche (1988) found the most ethical decisions were made when a required bribe was high and the profit low, it is reasonable to expect that persons acting unethically in such a situation would be rated most unfavorably. According to Kelley’s (1972) attribution theory, the more an actor goes against dominant situational forces the more the person will be seen as acting according to personality. There is evidence that consequence magnitude (potential profit) has a direct influence on judgments as to the degree to which the situation impacts the actor’s behavior (Decker, 1994a). The lower the profit potential the less the actor may be viewed as pressured by the situation. Therefore, the unethical actor may be judged more harshly than if the stakes were higher.

Decker (1994a) did not obtain a significant main effect of consequence magnitude (potential benefit) upon the evaluation of an unethical decision-maker in scenarios, but he did find an interaction between consequence magnitude and the direction of potential profit change. Unethical decision-makers were judged most unfavorably when attempting to obtain small (5%) gain in profit when compared to those acting to achieve large (50%) gain or to prevent a loss of either size. As Flannery and May (2000) suggested, appropriate ethical decisions may be clearer under high-consequence conditions than under low ones. They found that variables such as managers’ attitudes, organizational climate, and considerations of financial costs influenced decisions less when the magnitude of consequences was high than when it was low. Therefore, when the benefits of an action are lower, other issues such as whether...
the action is expected to achieve a gain or to prevent a loss may weigh more heavily in the decision. Seeking a small gain may be especially indicative of a “bad” person, since gain seeking is worse than loss prevention and there is not that much external pressure to go after a small gain; i.e., being unethical is seen as more of a personal choice when the consequence is a small benefit rather than a large one.

Another dimension of moral intensity identified by Jones (1991) is the concentration of the effect of an action, described as “an inverse function of the number of people affected by an act of given magnitude” (Jones, 1991, p. 377). Singhapakdi et al. (1996) found the concentration of a negative effect to be significantly related to both the recognition of an ethical problem and ethical intentions. Similarly, Decker (1994b) found an unethical decision-maker to be judged more unfavorably when the negative consequences of an action were concentrated among a small number of victims rather than a large number. However, several studies did not find the concentration of effect component of moral intensity to be significant (Carlson et al., 2002; Chia and Mee, 2000; Frey, 2000; Henik, 2005). Morris and McDonald (1995) found the likelihood of the effect to vary across scenarios. Also, May and Pauli (2002) found concentration of effect to be related to assessments of distributive justice but not other types of moral evaluations.

There is no obvious pattern differentiating the studies finding concentration of effect to be significant from those that did not. Some studies manipulated this variable in scenarios while others assessed it subjectively, but mixed results have been obtained with both approaches. Perhaps concentration of effect interacts with consequence magnitude. Concentration of effect could have less impact when consequence magnitude is very high or very low. For example, consider a company engaging in unethical practices that win it business that otherwise would go to competitors. If the total of the gain is sufficiently large, all competitors could be driven out of business regardless of whether the consequences of the unethical company’s actions are spread among a few or many competitors. At the other extreme, the total of the gain could be so small that there is little impact on any competitors regardless of how many or few share the effects. It is likely that there is some intermediate total consequence magnitude from which no victim would suffer significantly if there were a large number of them, but there would be harmful consequences to the victims if these effects were concentrated among just a few. Therefore, if the total consequence magnitude of a negative effect is great, the action may be considered unacceptable no matter how many victims the effect is spread among, as each victim is still harmed greatly (cf., Flannery and May, 2000). However, if the total consequence magnitude is sufficiently small, it may not hurt anyone very much no matter how few victims share the consequences. The concentration of the effect, then, should make little difference to the decision maker when consequence magnitude is at one extreme or the other. If the total is at an intermediate consequence magnitude level, however, the decision maker may view an action as unacceptable when the effect is concentrated among a few victims, but consider the action acceptable if the effects are sufficiently diluted due to being spread among many victims. One purpose of this paper is to test for an interaction of concentration of effect and magnitude of consequences.

Often we are aware of unethical behavior because a whistleblower has reported it. The impressions observers have of whistleblowers are significant, in part, because certain observers, such as supervisors and co-workers, may have opportunities to retaliate against the whistleblower (Mesmer-Magnus and Viswesvaran, 2005). In addition, the whistleblower may soon need to present himself or herself to potential new employers. Gundlach et al. (2003) suggested a potential whistleblower’s attributions concerning the causes of unethical behavior are important in the decision to blow the whistle. It also seems likely that observers of whistle-blowing behavior base their impressions of the whistleblower upon attributions concerning the whistleblower’s actions. If the observers believe the whistleblower to be influenced primarily by situational issues, impressions of the whistleblower may be inversely correlated to those of the unethical actor. Observers may feel that the value of making things right corresponds to the seriousness of the wrong. On the other hand, since persons going against the dominant forces in a setting are seen as acting more according to their personalities (Kelley, 1972), it also seems possible that whistleblowers could be viewed as less influenced by situational variables and more by their
personalities than the unethical actors. If that is the case, whistleblowers may be viewed in a relatively consistent manner across situations.

Henik (2005) noted that only a few studies have tested the Jones (1991) moral intensity model in a whistle-blowing context. Singer et al. (1998) found a positive relationship between consequence magnitude (harm) and the intention to blow the whistle, as did Henik (2005) when she manipulated consequence magnitude, but not when it was measured subjectively. Though not specifically testing the Jones (1991) model, other studies have found the more serious the issue the greater the likelihood of whistle-blowing behavior (Miceli and Near, 1985) or expressed intent to do so (King, 1997). However, retaliation was found to occur more frequently when the whistle was blown on serious wrongdoings than when less serious ones were reported (Mesmer-Magnus and Viswesvaran, 2005). There is, then, some evidence that whistle-blowing behavior and impressions of whistleblowers are impacted by some of the same variables that influence impressions of unethical actors. A critical factor determining the specific reaction of an observer may be whether the observer identifies more with the wrongdoer or the whistleblower.

The present study investigated respondents’ impressions of hypothetical, unethical actors and whistleblowers described in a scenario. We expected the judgments to vary as a function of the direction of the possible profit change (whether the actor sought to obtain a gain or prevent a loss), the magnitude of potential profit change, and the number of competitors (victims) that would be affected. Also, interactions were expected between the magnitude of potential profit change and each of the other independent variables. It was expected that unethical decision-makers would be rated most unfavorably (and whistleblowers most favorably) when decision makers attempted to obtain small gain in profit as compared to those acting to achieve large gain or to prevent a loss of either size. It was also expected that unethical decision-makers would be judged most unfavorably (and whistleblowers most favorably) when an action having negative consequences of moderate magnitude had those consequences concentrated among a small number of victims rather than a large number or when the consequences were small in magnitude regardless of the spread of effect.

This study also provided the opportunity to compare the ethical decision-making of males and females. Previous studies have yielded mixed results. Most studies have found no significant differences as a function of gender. Researchers obtaining differences have most often found females to give more ethical responses than do males (Beu et al., 2003; O’Fallon and Butterfield, 2005; Singer and Singer, 1997). White (1999) reported that, among members of the U.S. Coast Guard, women score higher than men on tests of moral development, and concluded that such differences will ultimately be reflected in differences in actual ethical behavior. Also, Bernardi and Arnold (1997) found female accounting managers’ average level of moral development to be higher than male managers, and suggested that such differences may potentially be troublesome in professional environments.

There is evidence that gender and moral reasoning level interact in influencing behavior. Church et al. (2005) concluded that a person’s level of moral development has a dramatic effect on behavior, especially that of females. In a laboratory experiment, females at lower levels of moral reasoning were more likely to exaggerate the quality of goods they were “selling” than were their male counterparts. However, no significant gender difference occurred among persons reasoning at higher levels, as females’ willingness to engage in unethical behavior declined sharply as moral reasoning level increased while males’ behavior varied only slightly with moral reasoning level.

There is also mixed evidence as to whether most whistleblowers are male or female. Miceli and Near (1988) found most to be male while Mesmer-Magnus and Viswesvaran (2005) reached the opposite conclusion. It may be that females typically have more ethical intentions, but their behavior varies more than that of males as a function of expected rewards, fear of retaliation or other circumstances. Since the present study measured responses to scenarios rather than actual behavior, it was expected that if a gender differences occurred, females would judge the unethical decision-maker less favorably and the whistleblower more favorably than would males.
Method

Design

The experimental design was a $2 	imes 2 	imes 2$ factorial. The independent variables were between-subjects variables manipulated in vignettes read by the respondents. These included (1) potential direction of profit change (the prospect of being added to the state’s or the military’s supplier list vs. being dropped from the list), (2) the amount of potential profit change (5% vs. 50%), and (3) the concentration of effect (2 competing companies or victims vs. 80 competing companies).

Materials

Page 1 of a six-page questionnaire was a disclosure page. Respondents were given information as to the general purpose of the study, that it was a study intended to help in the understanding of factors that influence perceptions of persons involved in ethical dilemmas. Further, it was stated that every effort would be made to keep the information provided confidential, as respondents would not write their names on the questionnaires and data would only be reported in aggregate form. Respondents were informed that participation was strictly voluntary and the choice to participate or not to participate would in no way affect their course grades.

Page 2 contained personal information items concerning age, gender, education, and current employment. Also, on Page 2 were directions urging careful reading of the vignette as well as instruction regarding manipulation-check items and rating scales.

Page 3 contained one of 16 vignettes describing an ethical dilemma faced by a fictitious company Vice-President. (Sixteen scenarios were used in order to provide two scenarios with each possible combination of independent variable levels. In half of the scenarios the company sold office supplies to the state government, while in the other half it sold aircraft parts to the military.) Choosing an unethical action would either increase profit by 5% or 50% (gain scenario) or prevent a 5% or 50% decrease (loss scenario). Either 2 or 80 competitors would be affected.

The gain scenario was as follows:

The Vice-President of an (office supplies or aircraft parts) company has a document come across his desk for his approval. He knows the document contains falsified information. This information is in connection with a pledge of quality standards required for companies to be added to the (state or federal) government’s list of approved suppliers.

The Vice-President also knows that if he signs the document, his company will get a new account with the (state or military). This will increase annual net profit by (5% or 50%). Since the (state or military) divides its purchases equally among suppliers, (2 or 80) other companies will lose a portion of their business. If the Vice-President does not sign the document, the company’s sales will stay at their present level [it will not get the new (state or military) account].

The Vice-President made the decision to sign the document containing the falsified information. A few months later, an employee of the company informed the news media of what had taken place.

The loss scenario was as follows:

The Vice-President of an (office supplies or aircraft parts) company has a document come across his desk for his approval. He knows the document contains falsified information. This information is in connection with a pledge of quality standards required for companies to remain on the (state or federal) government’s list of approved suppliers.

The Vice-President also knows that if he does not sign the document, his company will lose its account with the (state or military). This will decrease annual net profit by (5% or 50%). Since the (state or military) divides its purchases equally among suppliers, (2 or 80) other companies will share in the company’s lost business. If the Vice-President signs the document, the company’s sales will stay at their present level [it will not lose the (state or military) account].

The Vice-President made the decision to sign the document containing the falsified information. A few months later, an employee of the company informed the news media of what had taken place.

Questions on Pages 4–6 were presented in the same order to all respondents. Page 4 contained six multiple-choice manipulation-check items intended to determine if respondents remembered relevant information. Items concerned the title of the person falsifying the document, the amount of potential change in profit, the number of competing compa-
nies, the product sold, the level of government buying the product, and the direction of potential profit change (gain–loss variable).

Pages 5 and 6 solicited respondents’ perceptions of the Vice-President and of the employee who reported the incident. Pages 5 and 6 were nearly identical, each consisting of seven, seven-point, rating scales with bipolar anchors. These included whether the respondent agreed with the vice-president or employee (“Strongly Agree” vs. “Strongly Disagree”), how ethical the VP’s or employee’s behavior was (“Extremely Ethical” vs. “Extremely Unethical”), how much the respondent would like to work with the VP or employee (“Very Much” vs. “Not At All”), whether other VP’s and employees would have made the same decision (“Almost All Would” vs. “Almost All Would Not”), how favorable the two persons’ career advancement prospects were (“Very Good” vs. “Very Poor”). In addition, respondents rated how much each persons’ action revealed his personality (“Very Little” vs. “Very Much”) and how much each decision was forced by the situation (“To An Extremely Small Extent” vs. “To An Extremely Large Extent”).

Results and discussion

Responses to the seven items concerning the VP and the seven items pertaining to the whistle-blowing employee were factor-analyzed using Principal Components Analyses with Varimax rotations. The analysis for the VP items yielded a two-factor solution that explained 57.0% of the variance. When loadings of 0.70 or higher were considered, three items had loadings on the first factor. These were the items asking whether the respondent agreed with the VP’s action, how ethical the VP’s behavior was, and how much the respondent would like to work with the VP. As a group, these items appeared to represent the degree to which the respondent had a favorable impression of the VP. Responses to these three items were summed and then averaged for use as a dependent variable. The second factor yielded only one loading greater than 0.70 and will not be considered further.

The factor analysis for the whistleblower items yielded results similar to those of the VP analysis. For the whistleblower items, a two-factor solution explained 52.5% of the variance. When loadings of 0.70 or higher were considered, three items had loadings on the first factor. These were the items asking whether the respondent agreed with the whistleblower’s action, how ethical the whistleblower’s behavior was, and how much the respondent would like to work with the whistleblower. As a group, these items appeared to represent the degree to which the respondent had a favorable impression of the whistleblower. Responses to these three items were summed and then averaged for use as a dependent variable. The second factor yielded only one loading greater than 0.70 and will not be considered further.

Preliminary correlational analyses yielded no significant bivariate correlations involving the scenario (company product). This is somewhat surprising since there is greater potential harm from faulty aircraft parts than from sub-standard office supplies. However, the scenarios addressed consequences to the manufacturer and its competitors, not effects upon the consumers of the products. The financial implications of the executive’s decision were specified and were of equal magnitudes in the two scenarios. The respondents apparently did not base their judgments on possible unspecified consequences.

Respondents

Questionnaires were distributed in a block-randomized manner to students in upper-division, undergraduate Management classes at Salisbury University. Students were informed that participation was voluntary. Questionnaires were completed during class time and were returned by 205 students. Only one student declined to participate. Ten students’ responses were excluded from analysis for incorrect answers to manipulation-checks. Three students were excluded due to leaving one or more pages blank. This left 192 respondents, 12 per each scenario variation. There were 118 males, 71 females, and 3 persons not reporting their gender. Four respondents were under 20 years of age, while 170 were 20–24, 8 were 25–29, 7 were 30 or over, and 3 did not give their ages. Of 23 employed full-time, 12 reported holding managerial jobs while 11 listed non-managerial employment. Of 121 employed part-time, 19 reported holding managerial jobs while 102 listed non-managerial employment.
The preliminary correlational analyses did reveal some significant \( p < 0.05 \) relationships between respondent gender and ratings of the VP and whistleblower. Therefore, \( 2 \times 2 \times 2 \times 2 \) analyses of variance were computed to investigate effects of gender, direction of profit change, magnitude of consequences, and concentration of effect.

The only significant main effect with respect to the VP’s overall “favorableness” was that he was rated lower by female respondents \( (M = 1.98, SD = 0.93) \) than he was by male respondents \( (M = 2.38, SD = 1.28, F_{1,173} = 4.56, p = 0.03) \). This is consistent with most prior studies that obtained gender differences in responses to scenarios. It is not possible to determine whether differences in moral reasoning level or other factors were responsible for the gender effect.

As shown in Table I, a two-way interaction occurred between direction of potential profit change and percent of profit change. The VP was judged least favorably when seeking a 5% gain. Whether the VP sought a gain or attempted to avoid a loss made a greater difference when the potential change was 5% than when it was 50%. This finding replicates Decker’s (1994a) and is consistent with the results obtained by Flannery and May (2000). It does seem, then, that when the benefits of an action are lower, issues such as whether the action is expected to achieve a gain or to prevent a loss weigh more heavily in the decision.

In responding to the question of the extent the person’s actions were “forced by the situation faced,” respondents thought the VP’s acting to avoid a loss \( (M = 5.39, SD = 1.40) \) was forced by the situation more than his seeking a gain \( (M = 4.68, SD = 1.68, F_{1,173} = 7.92, p < 0.01) \). However, there were no significant differences concerning how much the action revealed about the VP’s personality. Therefore, while respondents seemed to accept the notion that there is more situational pressure to select an unethical or risky response when a loss is highly possible than in a situation where a net gain is likely (cf., McLain and Keenan, 1999), they did not view personality as being more dominant in the latter situation.

While the VP was rated less favorably by females, the whistleblower was rated more favorably by females \( (M = 4.99, SD = 1.27) \) than by males \( (M = 4.53, SD = 1.32, F_{1,173} = 5.55, p = 0.02) \). Also, the whistleblower was rated higher when the firm had 80 \( (M = 4.89, SD = 1.13) \) competitors rather than two \( (M = 4.50, SD = 1.46, F_{1,173} = 3.97, p = 0.05) \). This result was unexpected, as respondents in a prior study judged an unethical executive more favorably when the effects of the action were spread among more victims (Decker, 1994b). Whereas, the respondents in the present study were undergraduates, those in Decker’s (1994b) study were MBA students and alumni. Perhaps, undergraduates are less sensitive to the impact of a high concentration of effect than are persons who are somewhat older, have at least some graduate study and, most likely, more work experience. Research exploring the relationship between age and ethical decision-making has yielded mixed results (O’Fallon and Butterfield, 2005). There is evidence that business professionals exhibit higher levels of moral reasoning than do undergraduate business students (Windsor and Cappel, 1999). In addition, students have been found to make less ethical choices than practitioners (Glenn and Van Loo, 1993). However, there is also evidence that students and organizational managers respond similarly to ethical decision-making situations (Carlson et al., 2002; Chia and Mee, 2000). Certainly, there is a need for further study of the impact of age, education and of work experience upon moral reasoning and ethical decision-making. This would seem to include the investigation of possible interactions of age, education, and work experience with moral intensity components including concentration of effect. Such research may shed light on the issue of the effectiveness of ethics courses at the college level.

Since there is mounting evidence of differences between males and females in moral development, research should also focus on further verifying and

**TABLE I**

<table>
<thead>
<tr>
<th>Direction</th>
<th>Magnitude</th>
<th>( F_{1,173} )</th>
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<tr>
<td></td>
<td>5%</td>
<td>50%</td>
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<tr>
<td></td>
<td>( M )</td>
<td>( SD )</td>
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<tr>
<td>Gain</td>
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<tr>
<td>Loss</td>
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<tr>
<td></td>
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<tr>
<td></td>
<td>3.86</td>
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understanding the reasons for such differences, and especially whether such differences result in differing behaviors in business environments. As suggested by Bernardi and Arnold (1997), obtaining a gender difference in one profession or academic profession or one organization does not necessarily mean the difference exists in the general population. It could be that males and females having different average moral development levels enter and/or remain in a particular profession or organization. However, if a consistent gender difference is found to exist across many settings, we can be more confident that true a difference does exist in the general population.

As shown in Table II, there was a significant two-way interaction between direction of profit change and percent of profit change (where the whistle-blower’s ratings were highest when the VP sought a 5% gain). Thus, the whistleblower was judged most favorably for reporting the action of the VP that was judged least favorably. In each case, respondents made the most ethical judgments when the magnitude of consequences was low and the unethical actor was attempting to obtain a gain.

Another two-way interaction occurred between direction of profit change and the number of competitors (see Table III). The whistleblower’s ratings were lowest when reporting the incident when the VP sought to prevent a loss and there were two competitors. That is, the concentration of effect mattered in the loss scenario, but not the gain scenario (or direction of potential profit change mattered only with a high concentration of effect).

Contrary to the findings for the VP, there were no significant effects yielded by the item concerning the effects of personality upon the actions of the whistleblower. This was somewhat surprising given that whistleblowers generally seem to be acting in opposition to the dominant forces in a situation, a circumstance in which attribution theory would predict behavior would be attributed to personality (Kelley, 1972). Perhaps the wording of the personality question did not clearly convey meaning directly opposite that of the situation question.

In summary, female respondents judged the unethical VP less favorably and the whistleblower more favorably than did males. The executive was rated less favorably and the whistleblower more favorably when the executive sought a small gain than when the goal was a large gain or prevention of a loss of either magnitude. Thus, to some extent, impressions of the VP and the whistleblower were influenced by the same variables and in opposite directions. However, while the executive was viewed as pressured more by the situation when acting to avoid a loss than when seeking a gain, ratings of the whistleblower on this factor did not vary as a function of the gain–loss variable. In addition, some manipulations impacted ratings of the whistleblower, but not the VP. Surprisingly, the whistleblower in the potential loss scenario was rated lower when the executive’s unethical decision resulted in an effect of a given magnitude being spread among a few victims rather than many. An interaction indicated this was especially true when the VP sought to prevent a loss.

The results imply ethical training should include a focus on becoming aware of and overcoming biases in decision-making. It can be stressed that framing, consequence magnitude, and concentration of effect

<table>
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<th>TABLE II</th>
<th>Whistleblower favorableness: interaction of profit change direction and decision consequence magnitude</th>
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<td>Direction</td>
<td>Magnitude</td>
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<tr>
<td>5%</td>
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<tr>
<td>Gain</td>
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<td>Loss</td>
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<th>TABLE III</th>
<th>Whistleblower favorableness: interaction of profit change direction and concentration of effect</th>
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<td>Direction</td>
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<tr>
<td>2</td>
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<tr>
<td>Gain</td>
<td>4.81</td>
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<tr>
<td>Loss</td>
<td>4.20</td>
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may bias decisions. Perhaps students could be made aware, for example, that many have a tendency to be influenced by whether a change in profit is framed as a potential gain or loss and exhibit more sympathy for a person acting unethically to prevent a loss than obtain a gain, at least when the stakes are relatively low. Further, when the stakes are higher there is less of a tendency to condemn the person seeking a gain. Discussing the effects upon victims within multiple scenarios may be helpful in promoting more consistent judgments of both wrongdoers and whistleblowers. In addition, persons acquiring a better understanding of cognitive moral development may become increasingly sympathetic to whistleblowers and less inclined to retaliate against them. This may be especially likely if the students, themselves, advance in level of cognitive moral development. It is encouraging that Kavathatzopoulos (1994) obtained evidence of a positive effect of cognitive training on whistleblowing. Changes in thinking do not necessarily translate into changes in action. For example, whistleblowing. Changes in thinking do not necessarily translate into changes in action. For example, Kavathatzopoulos (1994) obtained evidence of a positive effect of cognitive training on ethical decisions.

Ethics training alone, however, does not seem to have the potential to achieve a major reduction in occurrences of unethical behavior or an increase in whistle-blowing. Changes in thinking do not necessarily translate into changes in action. For example, the correlation between expressed intent to blow the whistle and actually doing it is rather low (Mesmer-Magnus and Viswesvaran, 2005). In addition to ethics training, top management’s expressed philosophies are important (Hegarty and Sims, 1979; Worrell et al., 1985), as are norms and reward systems (Hegarty and Sims, 1978; Strong and Meyer, 1992; Trevino, 1992; Worrell et al., 1985). While it is hoped that decision makers can learn to act ethically regardless of the magnitude of a decision’s consequences, management should strive to minimize any expectations that there will a net gain from any unethical decision.

References


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