

Creating Managerial Ethical Profiles: An Exploratory Cluster Analysis

Gian Luca Casali

Abstract

This study profiles managers according to the ethical criteria they bring to their managerial decision making. Profiling was based on exploratory cluster analysis of responses of academics & students and small business managers to a multidimensional questionnaire. The data were collected through a self-reporting survey (n=82) administered to the two cohorts. An agglomerative hierarchical cluster analysis was then performed to the two groups separately on the 8 ethical subscales from the Managerial Ethical Profile (MEP). Between-groups linkage method and squared binary Euclidean distance measures were used to cluster groups in the given data sets. Five clusters were found as an optimal number for the given data set for one cohort and four for the other cohort. Four clusters were common to both cohorts. The study concluded that a cluster analysis was useful method for finding the natural grouping of not well understood influences of ethical principles in decision making, and their representativeness with common practice. Further study with a larger sample on identifying distinct variables that defined clusters will provide better understanding of ethical principles influencing managerial decision making.

Keywords

Business ethics, ethical decision-making, cluster analysis, small business managers, academics and students

Introduction

Since, almost the beginning of behavioral science, researchers and practitioners have sought to classify people according to their particular personality traits, with the aim of being able to predict their future behavior. Profiling is a process of grouping observed physical, social or psychological differences in individuals into a series of types, whose behaviour will be more or less predictable. One of the first recorded attempts at profiling was by the Greek doctor Hippocrates (c.460 – 370 BCE.), who developed four profiles based on four factors, which he called “humours” (fluids). Hippocrates argued that a person is healthy when the four humours are in balance and all diseases and disabilities are the result of having either too much or too little of one or more of these humours. The four humours were blood, yellow bile, black bile and phlegm.

Figure 1: The four temperaments



(Image of woodcut from 18th century text by Kaspar Lavater, in public domain)

According to Hippocrates, four profiles or temperaments were linked to the four humours: sanguine, choleric, melancholic, and phlegmatic (1945). A sanguine profile referred to a person with the temperament of blood, which was usually associated with optimism, cheerfulness, confidence, popularity, and fun-loving. On the other hand, a choleric profile was associated with the yellow bile, and the people in that group were usually leaders, with high ambitions and very energetic, who could dominate people of other temperaments, especially

phlegmatic types. A melancholic profile, which was directly related to the black bile, was associated with kindness, and was often perfectionist. Last but not least, there was a phlegmatic profile, which was related to phlegm. People in this profile were viewed as self-content, kind, and shy. This age-old urge to profile has not gone away. Donald Trump, for example, includes comments on the importance of understanding psychological traits in making deals in his “how-to-get-rich” strategies. He argues that understanding the psychology of people involved in his deals has contributed to his success as a dealmaker. Another example on the importance of psychological profiling in business is the notion that the potential degree of success in a particular role can be linked to the possession of particular personality traits; for example, extroverted, introverted, intuitive, emotive, rational and judgmental. Thus, Myers and Briggs (1998) developed a tool to psychologically profile people by a number of characteristic personality traits. Another widely-used profiling tool is the Defining Issue Test (DIT) developed by Rest (1979; 1990), which is based on Kohlberg’s cognitive moral development theory (Kohlberg 1969). This tool presents respondents with different scenarios and asks them to choose between a numbers of courses of action, profiling them based on their answers. However, concerns have been expressed about how realistic it is to establish an individual’s normal profile by testing their responses to extraordinary situations. To sum up then, from the ancient past to the present the need to understand human behaviour and render it more predictable and manageable has fostered profiling. Observing the number of scandals that have occurred over the past 10 years in the business arena, it is not surprising that there should be some renewed interest in being able to understand and predict the likelihood that individuals will engage in ethical or unethical behaviours. While much of the focus on the ethical renewal of public and private sector organisations has focused on institutionalising ethics through codes of ethics and other ethics regimes, there clearly remains a need to better understand the individual fac-

tors influencing managerial ethical decision making. Analyzing managers' fluids, facial shapes, and character traits, or testing their responses to extraordinary scenarios, however, are unlikely to yield practical insights.

When profiling, individuals are clustered into groups using various characteristics as discriminatory factors. To be successful, these clusters should maximize differences between the groups, while at the same time minimizing internal differences within the group. In the modern era, profiling has been used in a variety of ways; for example, marketers profile prospective customers based on age, income, location and attraction to innovation (Maenpaa 2006). Profiling is also applied in the criminal justice system (Pollock 2004). Using factors such as gender, ethnicity, race, age, personal history, abusive childhood, peer pressure and others factors, profiles are created to identify the characteristics of the perpetrators of specific crimes (Pollock 2004). Potential suspects are then identified on the basis of these profiles. However, the experience with profiling in criminal justice opens it up to justifiable criticisms, not only on questions of individual rights, but also in regard to issues such as the biasing of profiles through prejudice and stereotyping, as well as the lack of theoretical and empirical support for its reliability and usefulness in practice (Pollock 2004). These misuses of profiling in the criminal justice domain remind us that the possible predicative capacity of profiling is always a matter of probability rather than certainty.—it is meant to discriminate between not against people. Profiling starts off as a facet of analysis; that is, the aim of the profiling, in each case, is to identify some factors (or dimensions) that can discriminate between people and group them into more or less homogenous clusters.

To respond to the current needs in the business environment, a new approach to profiling is overdue—a more realistic and practical approach linked to what managers are dealing with every day, and one that includes ethics in the mix. To further this aim, this paper will first review and evaluate the major research in the area of ethical decision making in the current literature and then propose a new method of profiling managers, based on their ethical preferences. With this purpose in mind, this paper seeks to answer the research question: Can managers be profiled according to the ethical frameworks that they bring to their managerial decision-making? To develop managerial ethical decision-making profiles, it is important to first identify the factors that can best facilitate a clustering process based on ethical characteristics.

Literature review

Usually, when people talk about ethics they wittingly, or unwittingly, refer to ethical frameworks that reflect the major schools of moral philosophy (Casali 2008; Ferrell, Fraedrich et al. 2008). In the area of ethical decision making there has been a significant increase, over time, in the amount of research on individual ethical preferences, from virtually no studies before 1992 (Ford and Richardson 1994) to 21 studies up on 1994 (Loe, Ferrell et al. 2000), and 42 up to 2005 (O'Fallon and Butterfield 2005). It is not only the number of publications in the area of EDM that has increased over time, but also the kind of factors that have been tested. As suggested by Casali (2008) and Ferrell et al (2008), the range of influencing factors that have been tested over time can be summarized in four major categories: ethical, individual, organizational and external. As the focus of this study is limited to the ethical factors, further analysis of the literature will be concentrate on those tools which have been used to measure the influence of ethics on managerial decision-

makers. The most popular instruments used for this purpose are the Defining Issue Test (DIT) by Rest (Rest 1979; Rest 1990), the Managerial Judgment Test (MJT) by Lung (1974), the Ethics Position Questionnaire (EPQ) by Forsyth (Forsyth 1980), and the Managerial Value Profile (MVP) by Sashkin (cited in Hellriegel, Jackson et al. 1997). As indicated by Casali (2008), all these tools have limitations. Firstly, all of them make a priori assumptions about which and how many categories each respondent should be allocated. For example, the DIT aims to allocate respondents into one of the six stages of moral development created by Kohlberg (1969), and the MVP is focused on identifying whether those respondents are either driven by utilitarian principles, or by individual rights (deontology), or by social justice perspectives. When using these tools individuals are grouped into predefined profiles. A second limitation in most of these studies is the use of scenarios that are purposely developed to embody an ethical dilemma. Typically, respondents are provided fictitious situations and then asked what they would do in each case. Often, they are provided very limited options to choose from. Each option was developed and presented with the assumption that if chosen, that would have indisputably suggested that the respondent belonged in one particular category rather than the others. Once again, individuals are confronted with a forced choice situation but, more importantly, they are asked to think about how they would respond to situations that they might have never encountered before, rather than asking them how they already respond to more everyday ethical challenges.

Arguably, it would be better to profile managers according to their actual ethical preferences. This would require adopting an a posteriori approach that creates the clusters and profiles from the responses themselves. In the present study, for example, respondents were not asked to simply place themselves into one of the four major schools of moral philosophy. Indeed, within each major school, respondents were offered further various options. So, for example, two main approaches to utilitarianism (act and rule) were represented in the questionnaire. There was also a similar dimensioning of the scales representing deontology, virtue ethics and ethical egoism. These scales were not used to directly represent types; rather, individual responses to the multidimensional scales were subsequently analyzed to determine whether there was any statistically significant clustering of responses. These statistically significant clustering were then interpreted by relating the data to recognizable behaviours. Interestingly, none of the previous studies found that there is a universal ethical way to make a decision; the one thing they do agree on is that there is a need for further research in this area. The variety of approaches taken also confirms that there is not just one universal definition of ethics operating in the real world. Managers draw on a number of different ethical frameworks in their decision-making. These differences can be explained by the fact that managers can, for example, look at ethics in different ways (absolutism, relativism and pluralism), or tend to favor one of the major ethical frameworks (outcome-based, duty-based and person-based). Profiling managers based on their ethical preferences, then, requires a multidimensional approach.

Method

To profile managerial ethical decision making, a Managerial Ethical Profile questionnaire (MEP) was administrated to two different cohorts; one consisting of academics and students and the other consisting of small business managers.

Measure

The Managerial Ethical Profile (MEP) questionnaire is a new tool purposely developed to capture managerial ethical preferences (Casali b 2007; Casali d 2008). The MEP consists of a total of 52 items covering a number of factors influencing managerial decision making, such as ethical factors, individual factors, organizational factors and external factors (Casali b 2007; Casali d 2008). The first 24 items were purposely developed as a multidimensional ethical scale, representing different principles from four major schools of moral philosophy: egoism, utilitarianism, virtue ethics and deontology. The MEP ethical scale comprises eight ethical subscales (Casali b 2007; Casali d 2008):

- * Economic egoism (EgoEconomic), represents managerial self-interest, particularly in terms of the role that economic outcomes, such as profit and cost reduction, play in the managerial decision-making process.

- * Reputational egoism (Egoreputation), is a scale that refers to managerial self-interest pursued not in terms of economic outcomes, but by identifying one's organization as an extension of one's own interests. Therefore, the manager would act to protect the organization's reputation, and they would protect the organization's reputation, possibly even at the expense of profits.

- * Act utilitarianism (ActUtilitarian), encompasses the idea that in order to create the greatest overall good it is fundamental to evaluate whether the consequences of each proposed action will create the greatest benefit for the greatest number of stakeholders.

- * Rule utilitarianism (RuleUtilitarian), expresses the same interest in the greater good, but instead of focusing on each separate action it proposes to establish and follow those rules which benefit of the majority.

- * Self virtue (SelfVirtue), promotes the idea that good decision are made by people who has exhibit a good individual character virtues.

- * Others virtues (OthersVirtue), as a particular framework of virtue ethics concerns living well with others, promoting social well-being, and would include what is referred to as care ethics.

- * Rule deontology (RuleDeon), focuses on fulfilling universal duties, such as the golden rules, or acting according to universal principles (e.g. justice, not harming others, doing good, and respecting autonomy) in all situations.

- * Act deontology (ActDeon), expresses the notion that the rightness of an act is not determined by the ruthless application of a moral principle, but by determining what particular duty is demanded in each particular situation.

These subsets of principles are not only widely reflected in the current literature on ethics (Ferrell, Fraedrich et al. 2008), they also confirmed by the preliminary validation of the MEP (Casali b 2007; Casali d 2008).

Sample Characteristics

For this exploratory study, two different target populations have been used. The first sample (study 1) comprised academics and nursing students (N=41). In terms of academic staff, 18 university lecturers from different faculties and universities were asked to answer the questionnaire. In addition, second year nursing students were asked to fill in the questionnaire, and 23 out of 60 returned it, providing a 45% response rate. For the second sample (study 2) small and medium size business managers members of a Business Enterprise Centre were approached (n=41). Out of 81 people participating at a business networking break-

fast, 41 usable questionnaires were returned providing a 51% response rate.

Data analysis

As the objective of this study was to classify respondents based on their real ethical preferences, rather than pushing them into predetermined boxes, hierarchical cluster analysis (HCA) was performed using the eight ethical subscales dimensions of the MEP. The decision to use a hierarchical cluster method was indicated by the fact that this was an exploratory study and, as such, there were not initial pre-defined clusters to be confirmed and, therefore, using a non-hierarchical cluster analysis technique such as K-means would have not been recommended (Maenpaa 2006). Agglomerative hierarchical clustering can be used to group cases into clusters based on the assumption that cases that are close to each other in the input feature space are similar. Agglomerative hierarchical clustering begins with all cases as separate clusters and merges the closest clusters until some criterion is satisfied (Everitt 1993; Gordon 1999). The Euclidean distance was used to measure the distance between cases in the input feature space. The distance between two clusters was calculated as the average of the pair-wise distances between them (average linkage method) (Everitt 1993; Gordon 1999). The distance between the clusters merged at each step was used to determine when to stop the clustering. A large distance between merged clusters indicates that the two clusters may be so dissimilar that it is inadvisable to merge them.

HCA was performed by using the individual respondents' computed results for each of the eight ethical scales from the two cohorts separately (Figure 1 and Figure 2). The most common visual data representation used with HCA is a dendrogram, which simply reports the degree of similarities between cases, by putting the ones that are most similar closer together and the ones that are dissimilar further apart. From a scrutiny of the graphical outcomes of the two hierarchical cluster analyses, it could only be possible to identify which are the cases that are most similar, rather than the ones that are most dissimilar. However, for the purpose of this study which is to profile managers based on the degree of influences that different ethical principles play into their managerial decision making process, two questions have to be asked: What are the unique similarities in within the clusters? and What are the dissimilarities between the clusters? In order to answer these questions, it is necessary to further analyze each individual computed score of the eight ethical subscales, as the goal of the cluster analysis is to arrive at clusters of homogeneous people who differ in meaningful ways and display only small variations within-cluster, but at the same time a large variation between different clusters. As previously discussed, a characteristic for a successful profile tool is to be able to maximize differences between clusters, but at the same time to minimize internal differences. Thus, two principles have been used to interpret the results of the hierarchical cluster analysis. They are: high internal homogeneity, which generally means that the each object included in a particular cluster have a very strong similarities (for the purpose of this paper this means that people in a particular cluster have strong similarities in terms of their ethical preferences), and high external heterogeneity, which means that there are significant differences between each cluster, and in the particular that each cluster represents a unique mix of preferences about the eight ethical principles (Nunnally and Bernstein 1994; Hair, Anderson et al. 2003). Every individual computed score from the eight sub-scales were retrieved and grouped based on the cluster membership from

each of the dendograms (Figure 1 and Figure 2). For example, from the dendogram related to the study 1, the computed results for case 23 and 32 were put aside, then 39 and 40, then 38, 5 and 8, and go on and go fourth. When, all the respondents and associated computed scores were sorted into their most relevant cluster by the allocated number of data entry on the dendogram, then close clusters such as 23 & 32 and 39 & 40 were examined closely, to identify either a reason to join them together or to be keep them separate, based on their computed results.

Results

As a result of a process of mix and match based on the two principles (high internal homogeneity and high external heterogeneity), a number of strong cohesive clusters were found, and the overall means for each clusters calculated. Thus, five clusters for study 1 (academic and students), and four clusters in study 2 (small business owners) were found (see Figure 1 and Figure 2).

Figure 1- Dendogram for hierarchical cluster analysis on Academics and Students

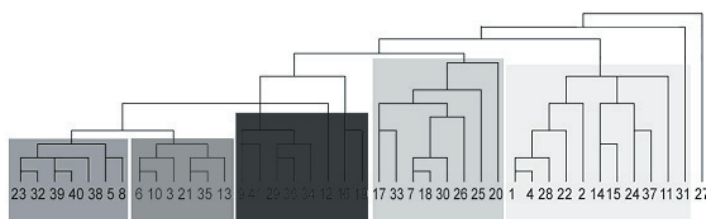
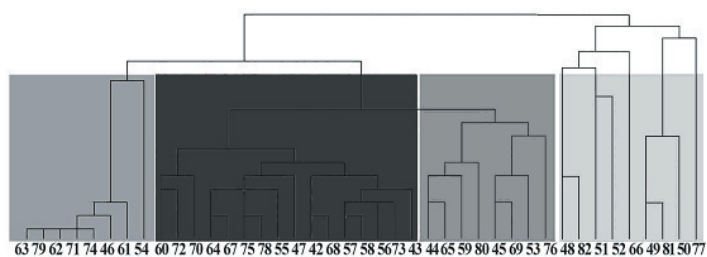


Figure 2- Dendogram for hierarchical cluster analysis on Small Business Managers



Even though, those two studies have ended up with two different overall totals of clusters (five in study 1 and four in study 2), closer examination of the pattern of responses in each cluster, based on the average scores of the eight ethical sub-scales, indicates strong similarities between the results of the two studies. In fact, it is possible to argue that the fours of the clusters from study 2 match with fours of the clusters from study 1 (see table 1).

Table 1- Comparison between HCA results (computed means) from Study 1 and Study 2 in relation to the 8 ethical subscales

Study 1 Academics and Students								
	EcoEgo	RepuEgo	ActUti	RuleUti	SelfVi	OtherVi	ActDe	RuleDe
Cluster1	1.8	1.5	1.4	1.5	1.3	1.3	1.6	1.2
Cluster2	2.6	2.1	2.3	1.7	1.5	1.8	1.4	1.3
Cluster4	2.2	2	2.4	1.8	2.6	2.4	2.2	2.3
Cluster3	3.5	3	2.2	2	1.7	1.6	1.4	1.8
Cluster5	2.2	1	1.8	1.2	1.8	1.2	1.3	1.2
Study 2 Small Business managers								
	EcoEgo	RepuEgo	ActUti	RuleUti	SelfVi	OtherVi	ActDe	RuleDe
Cluster1	1.1	1.1	1.1	1	1	1.1	1.2	1.1
Cluster2	2.3	2	1.9	1.6	1	1.2	1.5	1.2
Cluster3	2.1	1.9	2	1.6	2.1	1.8	1.6	1.5
Cluster4	2	2.2	2.6	1.6	2.6	1.9	2.3	2

(Table developed for this study)

Discussion

Based on the results from the two studies, four clusters with very similar patterns were identified in both studies, with one extra cluster found only in study 1. This result can be accounted for by the particularity of the second sample (small business owners). It is important to examine each cluster in detail in order to understand their differences, particularly in terms of the different degrees of influence that the eight ethical subscales have on decision making. Suitably interpreted, each of the five identified clusters can be treated as a managerial ethical profile, identifying what ethical frameworks are likely to routinely influence the decision making of the managers who were surveyed. The results used in the HCA reflected a five Likert-scale assessing the importance of each items in the respondents managerial decision making process, where 1 was extremely important and 5 was not important at all. Therefore, if for a particular ethical subscale the mean computed results is 1, or near to it, that means that ethical principle is extremely important for that particular managerial ethical profiles. The results for the five clusters are shown in table 1.

Developing the Managerial Ethical Profiles

As previously stated, managers use a number of ethical principles in their decision-making processes. These principles may be from only one ethical framework (absolutism) or a combination of principles from a number of different ethical frameworks (relativism or pluralism). Where a manager uses principles from different ethical frameworks, a further differentiation is needed. If a manager switches between ethical frameworks depending exclusively on the situation, then they would be included in the ethical approach called ethical relativism. Based on this view of ethics, ethical principles can be adjusted according to their fit with a particular situation. On the other hand, ethical pluralists are those managers who draw principles from different ethical frameworks; that is, they would argue that there are multiple perspectives on an issue, and each of those views contain part of the truth but none of them hold individually the whole truth. In more operational terms, for the purpose of this paper, managers who scored all the ethical principles equally, and who agree that all those principles are extremely important are considered to be ethical pluralists, and those who scored ethical principles equally but less important are treated as ethical relativists.

Due to the strong exploratory nature of this study, as the first study using the MEP to profile managerial ethical decision, the following structure will be used to interpret the results from the hierarchical cluster analysis:

- + Graphically representing each cluster based on their scores on the 8 subscales from the MEP (as shown in table 1)
 - + Discussion about possible meanings of the results, and on how they can be interpreted in terms of managerial ethical decision making.
 - + Naming the profiles based on their characteristics, and
 - + Providing a “motto” to explain each profiles in a more general terms

Profile 1: Duty Follower

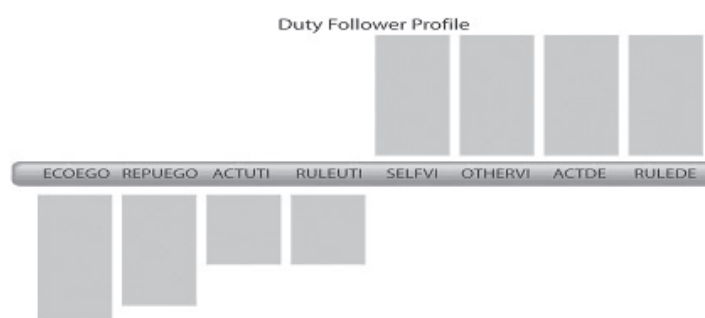


Figure 3 duty follower profile according to the 8 subscales from the MEP

This profile is characterized by a very strong preference for the non-consequentialist theories such as deontology and virtue ethics and weak support for economical egoism. This would suggest that respondents in this cluster see ethics from a particular perspective and believe that some ethical frameworks are more important than others. They could, therefore, be also seen as supporting an absolutistic view of ethics (see table 1). Looking at the items representing the non-consequentialist ethical theories, it is arguable that the main philosophy behind the managerial ethical decision-making (MEDM) of the managers that belong to this profile, is that managers need to possess strong character virtues in order to fulfill their duties—in particular, their professional duties. Managers in this profile are committed to being ethical and applying universal rules in their decision making, and they are quite strongly opposed to allowing economic outcomes to override principle. Based on the strong propensity to follow duties, this cluster has been named the duty follower managerial ethical profile. In this case, decisions are guided more by rules and duties than by considering the consequences of those actions. They have a more absolutistic view or morality, and they are very strong advocates for particular universal duties such as do not lie or do not kill. Managers with this profile are very faithful to rule and duty, but the related risk is that this can be achieved at the expense of flexibility. For instance, as a general example, if a rule is not to lie, then a duty follower would not lie to the Gestapo asking if they know where the hiding place of some Jews is. Their major concern is about the moral standing of themselves, rather than the consequences for the reputation of the organization.

The motto for this profile is: “do what is right no matter what the costs”

Profile 2: The Chameleon

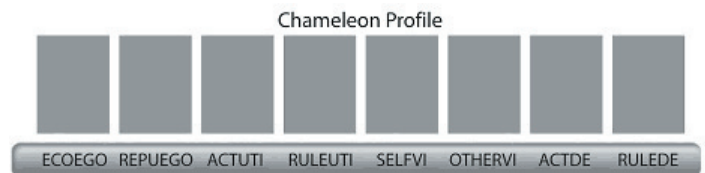


Figure 4 Chameleon profile according to the 8 subscales from the MEP

This profile is very different from the previous one, due to equal importance given to each of the all eight ethical categories, rather than a strong preference for a particular one. However, the responses related to this cluster are not very strong (see table 1), suggesting that people in this cluster might use different ethical frameworks; not at the same time, but more instrumentally to a particular situation. The ethical philosophy behind

this profile is that the manager is aware of the different ethical positions, and will decide which best suits a particular situation. Managers in this group are not strongly committed to one type of ethical theory, therefore they might use particular ethical principles in order to protect the organizational reputation by following those rules that either promote the greatest good and that uphold human principles. This profile has been named the chameleon. Just as the reptile of the same name changes its skin color to fit in with its surrounds, these managers assess the different ethical view points and decide which is the most appropriate for a particular situation. Arguably, the chameleons have a more practical view of morality, as they do not rigidly hold a particular position but assess the context first and then apply the ethical framework that is most appropriate to that particular situation. However, while this profile is more flexible than the duty follower, there is also a risk that all this flexibility could simply encourage decision-makers to blend in with the prevailing culture—‘when in Rome do as the Romans do’—rather than engaging with it proactively. Relatively speaking chameleons, compared to others profiles, have less independence in ethical decision making capacity because they are strongly affected by significant others (experts/superiors) and the organizational culture. Using a business example, a chameleon would be more likely to accept an expensive gift with no reservation if that is a common practice in that country and, most likely, keep it as well. Too many chameleons in an organization may be a barrier to effectively challenging and changing unhealthy organizational cultures. A possible motto for this profile is: “when in Rome do as the Romans do”

Profile 3: Guardian Angel

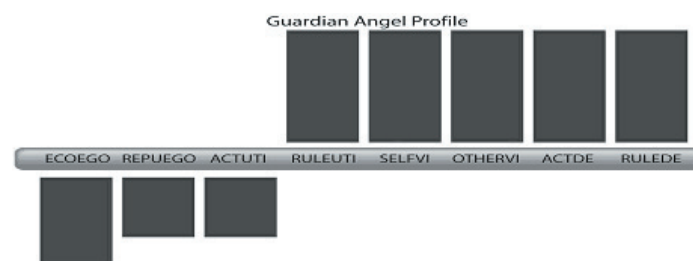


Figure 5 Guardian Angel profile according to the 8 subscales from the MEP

In this profile, the most important ethical principles are all the non-consequentialist principles, as for the duty follower, plus rule utilitarian—a combination that can be summed up as managers not only making sure that they conform to rules and that the dignity of others is maintained, but also keeping an eye on the overall outcomes (the greatest good for the greatest number) as well. They are strongly committed to fulfilling the obligations that go with a public or professional role and, therefore, they feel a duty to consider the consequences of their decisions and to treat others fairly. Due to very nature of this profile, which is to protect and to guide, it has been named the guardian angel. Like the duty followers, managers in this group tend towards an absolutistic view of ethics, but are not as narrow. They obey rules but, at the same time, they use their wisdom as well to consider the impact on others of so doing. Thus, if asked by the Gestapo about the hiding place of their Jewish neighbor, they would weigh up honoring the duty of truth-telling against the duty to protect innocent people, in this case by lying about their location. A risk with this profile is that the potential conflict between duties may lead to inconsistent responses. The Motto for this MEP is: “following those duties that promote the greatest good”

Profile 4: The Defender

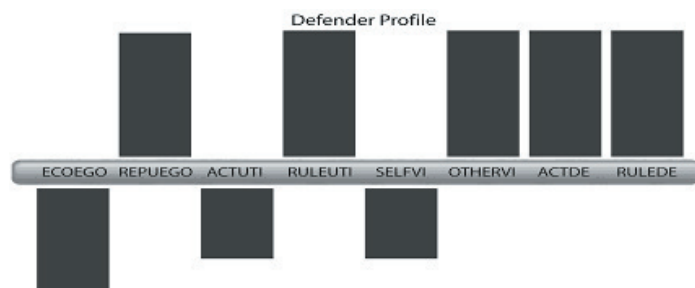


Figure 6 Defender profile according to the 8 subscales from the MEP

The results for this cluster are strong on the non-consequentialist ethical principle but equally, if not stronger, on the ethical egoism sub-scale of reputation. Managers in this group are very loyal to the organization, and they would make decisions to protect the reputation of the organization. Good public opinion about one's self and one's organization are more important than the bottom line. People in this profile would spend more time weighing up what is good versus what is good for the organization. The virtues of the people in this cluster are directed strongly towards the wellbeing of their organization. Those people are extremely important for the company because they are the most loyal to the company, and are less likely to undermine its goals by pursuing their own individual self-interest (Casali a 2008). However, the excessive loyalty of the defender is not always helpful. Due to the fact that defenders have scored low on the sub scale of self virtue, it may indicate a lack of focus on internal morals. This situation could increase the chances of engaging in illegal or unethical actions in order to protect the organization reputation. Like an avid defender in a soccer team they would accept the risk of a penalty by taking an opponent down in front of goal, and perhaps even risk a personal sending off for the good of the team. Another example would be the behavior of some employees of the Australian Wheat Board. Its former chairman, when accused of bribe and breaching a number of UN oil-for-food sanctions, said in a statement issued by his lawyers: "I emphatically deny that I acted in any manner other than in the best interest of AWB and its shareholders." Going back to the example of the gold gift, managers in this profile would accept the gift only if that action would benefit the organization. A motto for this profile could be: "the defender of the faith"

Profile 5: The Knight

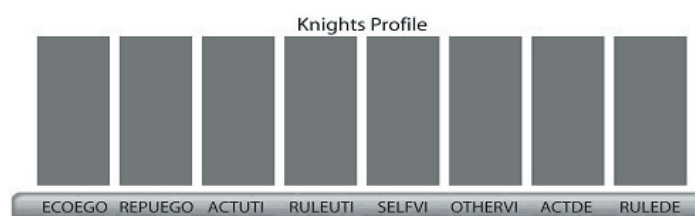


Figure 7 Knight profile according to the 8 subscales from the MEP

The final profile identified in this study represents of the ethical view point of ethical pluralism. The average results on all the eight ethical sub-scales are between 1 (extremely important) and 2 (very important). This MEP has been named the knight. These managers are more consistent in trying to maximise their values, the organization's values, keeping economic factors in the picture, and considering the impact of decisions on all stakeholders. They try to maximise the good in both themselves and the world around them. They pursue happiness and excellence,

and aim to be a good person, working for a good organization and building a better world. Managers that are part of this profile are ethical pluralists, but in a much stronger sense than the chameleons. They will take into consideration all the individual moral principles, but put them into a more universal than local context. Usually, the knights are very conscientious and skilful and, therefore, very important to an organization. However, there are two main risks related to the knight profile. The first risk is that the organization might fail to live up to the knight's very high expectations, and they might become a troubling presence in the organization and a potential source of challenges to those in authority. The second risk is that knights are so highly skilled and independent that can easily transfer their allegiances to other masters (organizations). They would use their skills and experiences to maximize all the ethical frameworks in relation to all stakeholders. Motto: "Being the best I can be, doing the best for everyone, and doing the right thing in all situations"

As previously suggested, the five managerial ethical profiles represent a mix of ethical principles that managers are influenced by in making their managerial ethical decision making process. For example, the Duty Follower indicates that managers in this profile are strongly devoted to follow duties and in case of competing duties they would prioritise them not based on expected economic outcomes, but more based on fulfilling universal duties or protecting rights. The Guardian Angel is similar to the Duty Follower; however, the main difference between the two is intrinsically grounded in the idea that we should follow those duties that create the greatest good for the greatest number of people. On the other hand, the Defender profile suggests that managers would prioritise choices based upon the degree of impact that those possible options would have on the organization's reputation even at the expense of profit or fulfilling universal duties. The Chameleon is the most relativist profile of all, suggesting that managers in this profile are strongly influenced by significant others or by the organizational culture or both, as they are aware of the different conflicting ethical principles, but have not developed a framework for prioritising them in case of conflicting principles. Last but not least is the Knight. Contrary of the Chameleon, managers in this profile have developed that framework to assess conflicting principles, and underpinned it with their personal and professional experience and wisdom. A Knight profile suggests that managers would strongly rely on their own skill and knowledge and be less influenced by significant others or the organization.

Conclusion

As a problem of many profiling techniques currently used with respect to ethical decision making is that use "a priori" clusters (based on pre-existing schools of moral philosophy, reducing the capacity to adequate capture reality of decision making. This paper has established that allowing respondents to create their own clusters, rather than being simply allocated into one of the school of moral philosophy, can significantly advance current understandings about managerial ethical decision making in practice. Giving the opportunity to respondents to pick and choose particular dimensions reflecting different ethical frameworks has led to the development of a number of "a posteriori" clusters. As a result of this study, 5 clusters have been identified in the first study and only 4 have been found in the second study, results that can be explained by the nature of the second sample. The missing profile from the second study is the "Duty Follower", a profile characterized by a strong devotion to universal principles and organizational duties but a strong disre-

gard for economical factors (see table 1). While people working in large organizations may have the luxury of letting someone else look after the bottom line, it is arguable that small business managers, because of their very nature cannot disregard the bottom line, otherwise they would be out of the business immediately. It is important to emphasize that although these five profiles are all ethical, however that they would look at the same problem, and assess it based on different criteria. For example, a duty follower would make sure that universal rights and duties have been fulfilled even at a great cost in terms of money or efficiency or effectiveness. Where a chameleon, would mostly ask an expert opinion on that matter and then follow that advice. A knight on the other hand would look at the problems from a different point of view and then try to find that solution that would maximize benefit to all. The Defender would make any decision that would improve an organization's reputation or at least protect it at all costs. Last but not least, the Guardian Angel would seek to satisfy universal duties, but also takes economical factors in to account, thereby seeking the greatest good for the greatest number of people but not at the expense of the business.

Possible practical application for the MEP

Despite the fact that this is an exploratory research, some possible practical usage for the managerial ethical profiles (MEP) can be suggested. MEP could be used in assessing possible board members, as having each of the five profiles represented could increase a board's effectiveness and efficiency and reduce the risk of groupthink. At the individual manager level, the managerial ethical profile can be used as a self-education tool, informing individuals about their ethical strengths and weaknesses (based on their profile). On the other hand, the MEP could also be used by a multinational organization to map their subsidiaries around the globe based on the concentration of the different managerial profiles. They would be able to better assess the risks related to giving high degree of autonomy in terms of decision making to a subsidiary that has a strong concentration of duty followers, who would be looking for some rules to follow.

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Knowing that the managers in an organization have differing ethical decision-making profiles would also assist in tailoring ethics training and internal communication on ethical issues to the workforce, with trainers and senior management knowingly adopting a variety of strategies to more successfully communicate and implement ethic regimes.

Future Research and Limitations

The purpose of this study has been to use statistical techniques (hierarchical cluster analysis) to identify clusters based on responses to responses to the MEP questionnaire. Further research in this area is needed to address a number of questions and to advance understanding about the managerial ethical profiles themselves. Questions that should be further investigated include: Are the managerial ethical profiles stable across different countries, sectors and cultures? Are there any particular individual traits that belong to a particular profile? Does organizational size affect managerial ethical profiles? The results of this study indicate that the MEP questionnaire will be a useful tool for further inquiry into managerial ethical decision making. As this is only an exploratory study based on the preliminary results of two rather small samples (41 respondents), the findings should be viewed with same degree of caution in terms of their generalizability. Having said so, each of the two samples were analyzed by using a statistical tool that performs at its best with small sample data and able to perform in a reliable and valid way, as shown in this paper by reproducing four of the five overall ethical profiles across the two studies.

Footnote

The five profiles discovered in study 1 were also found in a larger study based on 441 healthcare managers in Australia. A paper reporting the findings of this more confirmatory research has been presented and published in the peer review section of the ANZAM (Australian and New Zealand Academy of Management) 2008 conference proceedings.

Author

Gian Luca Casali. Gian Luca Casali is a Lecturer in the School of Management at Queensland University of Technology (QUT) where he coordinates the undergraduate programs at the Caboolture campus (regional campus) and teaches management and entrepreneurship courses. His research interests include business ethics and CSR (corporate social responsibility) and entrepreneurship. Gian Luca received his BBA from University of Turin (SAA) major in marketing, and an MBA from Central Queensland University (Australia) major in international business. He is currently finalizing his PhD on managerial ethical decision making at QUT.

Contact details: Gian Luca Casali , Lecturer / School of management / Queensland University of Technology (QUT), Ph (Caboolture Campus): (07) 5316 7403 and Fax (07) 5316 7421 Ph (Garden Point Campus): (07) 3138 5096 and Fax (07) 3138 7903, E-mail luca.casali@qut.edu.au , website www.qut.edu.au