

UNDERSTANDING ETHICAL DECISION MAKING:
WHY DO PEOPLE'S ETHICAL JUDGMENTS DIFFER?

by

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“Why Questions” in Ethics

- Why do some PricewaterhouseCoopers’ partners believe it was ethically *right* to charge clients the gross ticket price on travel expenses, thus pocketing “back end” travel rebates, while other partners believe it *wrong* to do so? (Wall Street Journal, September 30, 2003, p. C1)
- Why do some people believe it is ethically *right* to download copyrighted music, while others believe it is *wrong*?
- Why do some people believe it is *right* to advertise products targeting children, while others believe it is *wrong*?
- Why do some people believe providing gifts to purchasing agents is *right*, while others believe it is *wrong*?
- Why do some people believe it is *right* to consider race and ethnicity in university admissions’ policies, while others believe it is *wrong*?

The Hunt-Vitell Theory of Ethics

- Hunt, Shelby D. and Scott M. Vitell (1986), "A General Theory of Marketing Ethics," *Journal of Macromarketing*, 6 (Spring), 5-15.
- Hunt, Shelby D. and Scott Vitell (1993), "The General Theory of Marketing Ethics: A Retrospective and Revision," in N.C. Smith and J.A. Quelch eds., *Ethics in Marketing*, Homewood, IL: Richard D. Irwin, 775-784.
- Extensive empirical testing
- Deontological Moral Reasoning Theory
Acts are ethical/unethical by their nature, not by their consequences
- Teleological Moral Reasoning Theory
Acts are ethical/unethical by their consequences, not by their nature
- **Central premise of H-V:** Most people in most ethical decision situations rely on both deontological and teleological moral reasoning

Answers to “Why Questions”

People’s ethical judgments (“EJ”) differ because of differences in deontological evaluation (“DE”) and teleological evaluation (“TE”).

$$EJ = f [DE, TE]$$

Differences in deontological evaluation result from people’s differences in:

- Deontological *norms*
- Relative *importance* of particular norms
- Rules for resolving *conflicts* among norms
- Rules for interpreting the *applicability* of norms

Answers to “Why Questions” (Continued)

Differences in people’s teleological evaluations result from differences in:

- *Positive* consequences for particular stakeholders
- *Negative* consequences for particular stakeholders
- *Importance* weights assigned to particular stakeholders
- *Probabilities* of positive and negative consequences for particular stakeholders

A Teleological Evaluation Formula

The teleological evaluation (“TE”) for an alternative “K,” with regard to stakeholders 1, 2, 3, . . . m, who have differing importance weights (“IW”), is:

$$\bullet \quad TE_K = \sum_{n=1}^{n=m} [IW_1 \times PosCon_1 \times P_{Pos}] - [IW_1 \times NegCon_1 \times P_{Neg}] \\ + [IW_2 \times PosCon_2 \times P_{Pos}] - [IW_2 \times NegCon_2 \times P_{Neg}] + \dots$$

Where:

IW_1 = Importance of stakeholder 1

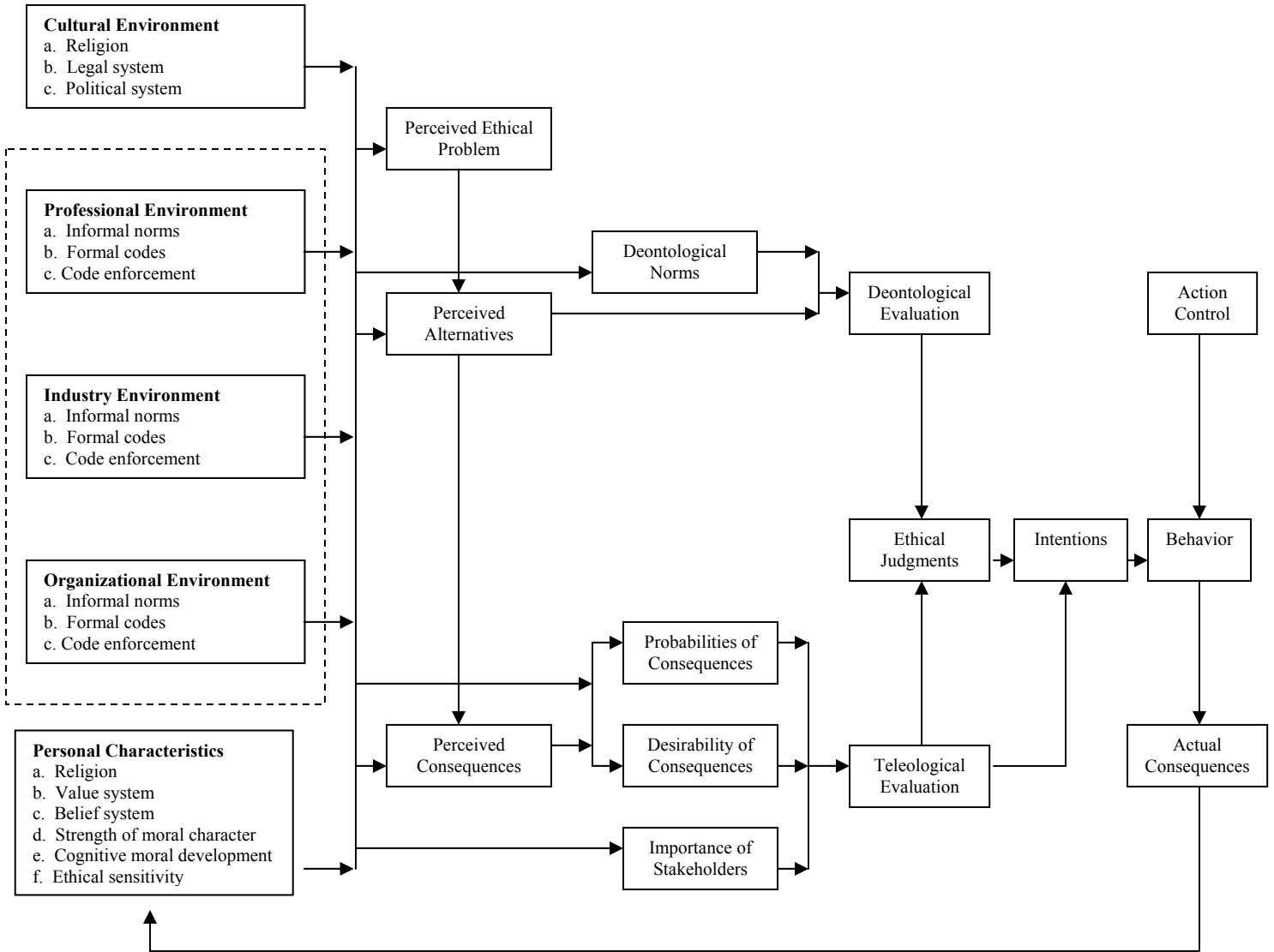
$Poscon_1$ = Positive consequences on stakeholder 1

$Negcon_1$ = Negative consequences on stakeholder 1

P_{Pos} = Probability of positive consequences occurring

P_{Neg} = Probability of negative consequences occurring

Hunt-Vitell Theory of Ethics



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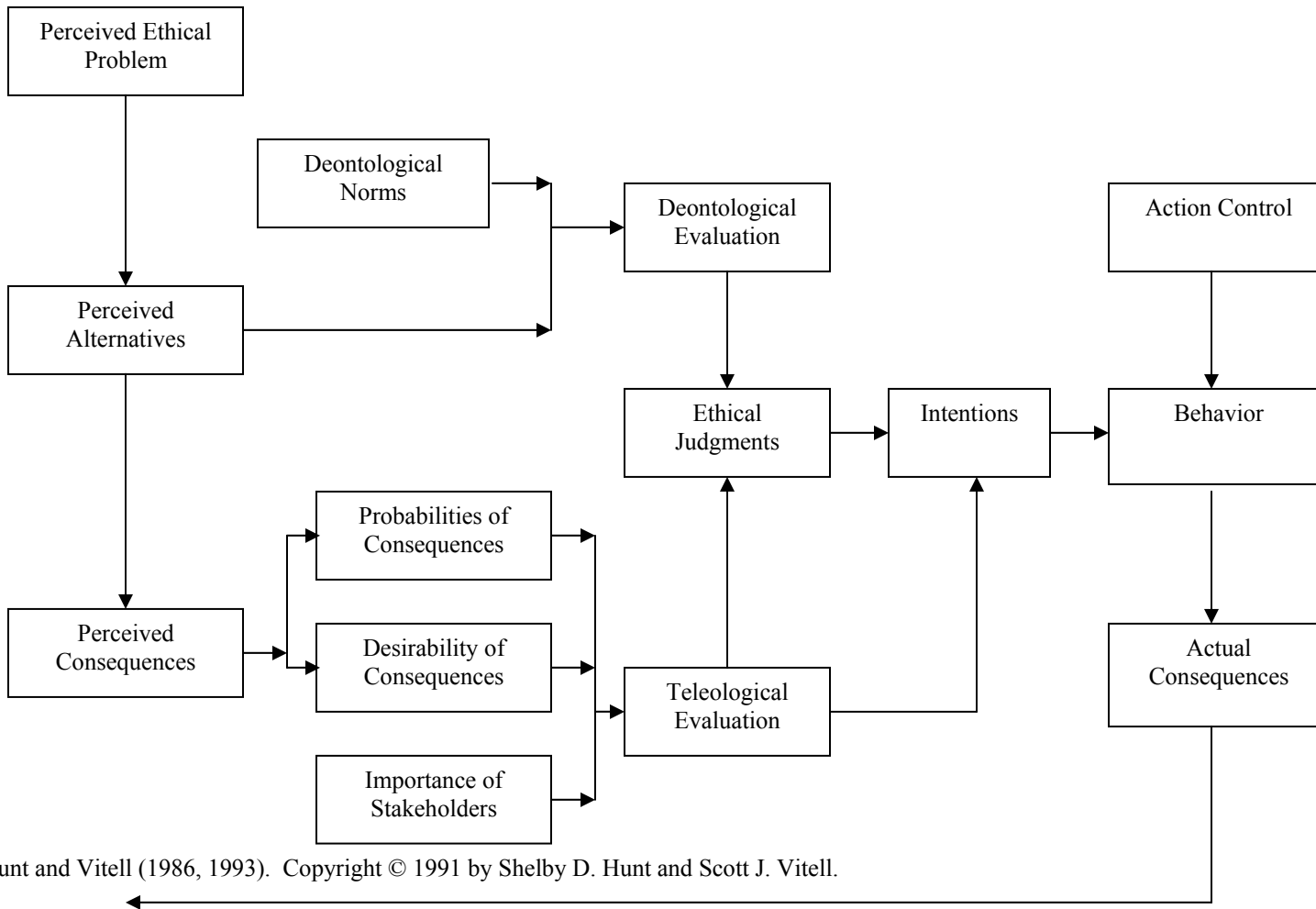
NOTE: The portion of the model outside the dashed lines constitutes the general theory. The portion inside the dashed lines individuates the general model for professional and managerial contexts.

REFERENCES

Hunt, Shelby D. and Scott M. Vitell (1986), "A General Theory of Marketing Ethics," *Journal of Macromarketing*, 6 (Spring), 5-15.

Hunt, Shelby D. and Scott Vitell (1993), "The General Theory of Marketing Ethics: A Retrospective and Revision," in N.C. Smith and J.A. Quelch eds., *Ethics in Marketing*, Homewood, IL: Richard D. Irwin, 775-784.

“Core” of Hunt-Vitell Theory of Ethics



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