Corporate Ethical Values in South Africa

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Executive Summary

This study analyzes the influence of a number of variables on the ethical decision making process of South African marketers. Specifically, it measures the relative influences of ethical perception, idealism, relativism, and corporate ethical values on the ethical intentions of the marketers. The target respondents were practitioner members of the South African Institute of Marketing Management. The survey results indicate that perception of an ethical problem and relativism are significant predictors of ethical intentions, as hypothesized. The other two predictor variables (idealism and corporate ethical values) were not significant. The results regarding idealism are generally consistent with those from previous studies, but corporate ethical values has usually been found to be significant, and not just in the United States. These nonsignificant findings are among the most intriguing of the study. © 2001 John Wiley & Sons, Inc.

INTRODUCTION

Cholars in the marketing discipline have contributed significantly to the work in business ethics (although most of them have grown numb to the old joke about “marketing ethics” being an oxymoron). It is probably true that there are more concerns for ethical problems in marketing than in other functional areas in business. Laczniak and Murphy explain why:

In business firms, marketing is the most visible functional area because of its interface with consumers. Communicating with and satisfying customers is the essence of marketing. Selling and advertising are especially noticeable and essential activities in achieving the marketing mission. Since marketing is so close to the public view, it should not be surprising that it is the subject of considerable societal analysis and scrutiny. One 1980s public-opinion poll ranked advertising...
practitioners and sales representatives among the lowest of occupations in terms of perceived ethics. Taken together, these factors mean that marketing is an area of business commonly identified with questionable practices. (1993, p. xii)

According to their review of marketing ethics, Murphy and Laczniak (1981, p. 258) point out that “as more firms move into multinational marketing, ethical issues tend to increase.” This is true not so much because of geographic boundaries, but because of differences between cultures.

Culture affects an individual’s ethical decision making in myriad ways; thus, the ethical difficulties for multinational enterprises are inherent. A 1992 report from the U.S. Department of Commerce, for example, highlighted ethical issues as among the major obstacles for American businesses moving into Russian markets. Some scholars believe the problem is that Westerners tend to start with assumptions based on Greek, German, and British moral philosophies (e.g., Carlin & Strong, 1995). Others maintain that some core human values can serve as a starting place to delineate cross-cultural ethical standards (e.g., Caux Round Table Principles for Business, 1995; Puffer & McCarthy, 1995; Donaldson, 1996). Clearly, American managers doing business in other countries must endeavor to understand the ethical decision making processes of their counterparts.

Ethical issues are especially prolific (or perhaps just more often publicized) in the area of marketing, which has also generated a number of proposed theoretical structures (e.g., Ferrell & Gresham, 1985; Hunt & Vitell, 1986, 1993; Robin & Reidenbach, 1987). These, in turn, have provided foundations for many empirical tests, although most cross-cultural ethics studies have taken the form of comparisons of decision-making styles between managers or students from different countries. As Singhapakdi, Salyachivin, Virakul, and Veerayangkur point out, “There has been relatively little interest among researchers on the ethical decision-making processes of marketers from different, specific countries” (2000, p. 2). The research in developing and nonwestern countries is also comparatively scant.

The main purpose of this article, therefore, is to investigate the influence of some important personal and organizational factors in the ethical decision-making process in a specific, nonwestern, developing country context. Specifically, we examine the relative influences of ethical perceptions, personal moral philosophies, and corporate ethical values on the ethical intentions of South African marketers. The study should take its place among the relatively rare evaluations of ethical
decision making of marketers examined from an emic perspective. In other words, we examine ethics among South African marketers, but not by comparison with other (typically American) populations.

South Africa is a key trade partner for the United States among developing nations, especially since its transition to majority rule in 1994. It has the best-developed infrastructure in Africa, is rich in natural resources, and boasts a diversified manufacturing and services sector. President Thabo Mbeki and the current governor of the Reserve Bank, Tito Mboweni, are stressing sound macroeconomic policies, including encouraging foreign direct investment, privatizing government-owned enterprises, restructuring industry along globally competitive lines, negotiating free trade pacts, and maintaining tight monetary policy. Interest rates are currently declining, as are the budget deficit, consumer prices, inflation, and the corporate tax rate on earnings. Minister of Trade and Industry Alec Erwin has identified attraction of U.S. investment as a specific priority (ITA Web site and “Running the Rand, 2000”).

Although the South African economy was buffeted recently by the volatility of financial markets in Japan and Taiwan, Moody’s Investors Service recently upgraded the country’s outlook for foreign direct investment from “stable” to “positive,” reflecting the “determination and the commitment of both the fiscal and monetary authorities [in South Africa] to proceed with what is very much a market-oriented approach” (“Moody’s. . .,” 2000). Interestingly, though, The Economist also stresses Mr. Mboweni’s achievement in bringing “some much-needed transparency” (“Running the Rand,” 2000), which means the kind of openness to public scrutiny that requires good ethics. In South Africa, this would mean a vital growth in public confidence. It is, therefore, an interesting historical moment in which to consider ethical decision making in this country.

CONCEPTUAL FOUNDATIONS AND HYPOTHESES

According to marketing ethics theories (see, e.g., Ferrell & Gresham, 1985; Hunt & Vitell, 1986), moral decision is a function of individual factors (e.g., sex, education, religion) and many broader factors (e.g., laws, company policies, culture). This research tests both levels: personal moral philosophies and perception vary by individual, while corporate ethical values exist at the organization level. This section describes the literature on the variables and sets forth the hypotheses that will be tested in the research.
Personal Moral Philosophies

Forsyth (1980, 1992) developed scales to measure what he termed personal moral philosophies—idealism and relativism. He writes that “although the number of personal moral philosophies is unlimited, most can be contrasted in terms of relativism or idealism” (1992, p. 462). Relativism, according to Forsyth, is a personal moral philosophy based on skepticism. Relativists “generally feel that moral actions depend upon the nature of the situation and the individuals involved, and when judging others they weigh the circumstances more than the ethical principle that was violated” (Forsyth, 1992, p. 462). Idealism, by contrast, requires that adherents act in accord with moral laws, norms, and principles. It “describes the individual’s concern for the welfare of others. Highly idealistic individuals feel that harming others is always avoidable, and they would rather not choose between the lesser of two evils which will lead to negative consequences for other people” (Forsyth, 1992, p. 462).

A number of marketing ethics studies have adopted Forsyth’s dichotomy. Singhapakdi, Kraft, Vitell, and Rallapalli (1995) found both dimensions were significantly related, in opposite directions, to a marketer’s perception about the importance of ethics and social responsibility to their organization’s effectiveness. Highly idealistic marketers tended to perceive that ethics were important and high relativists believed the opposite. A cross-cultural study (Singhapakdi, Vitell, & Leelakulthanit, 1994) confirmed differences between Thai and American marketers on idealism and relativism, but also found idealism to be a weaker discriminator than relativism. Sparks and Hunt (1998) and Shaub (1989) confirmed a negative relationship between relativism and ethical sensitivity. Sparks and Hunt (1998, p. 105) speculate that “disbelief in moral absolutes might reduce the likelihood of ethical violations standing out among other issues. In a world where all issues are relativistic shades of gray, ethical issues might blend in with everything else” and “relativists might consider ethical issues in general to be less important than nonrelativists.”

Ethical relativism, according to De George (1990, p. 35), “implies that moral principles are not right or wrong and cannot be rationally defended; yet moral principles frequently have been given rational defense, and disagreements on moral issues are argued in rational as well as in emotional terms.” As this quote implies, a strong form of relativism has little support among moral philosophers, although Robin and Reidenbach (1993) argue that a bounded relativism is precisely what marketing should look toward in developing a workable ethical philosophy. This is especially important in international mar-
marketing, they believe, because history, time, and context make important differences in the meaning of “ethical”; “practically and demonstrably, there are very real differences in social expectations among cultures, and concerns about these differences may be exacerbated as societies become more economically interdependent” (Robin & Reidenbach, 1993, p. 99).

A recent ethics study of U.S. marketers by Singhapakdi, Vitell, and Franke (1999) also adopted Forsyth’s moral philosophy dichotomy. Consistent with most previous studies, they found both dimensions of moral philosophies, idealism and relativism, to be significantly related to a marketer’s perceived moral intensity. In particular, they found that idealism increases and relativism decreases a marketer’s perceived moral intensity, or the perceived “extent of issue-related moral imperative in a situation” (Jones, 1991, p. 372). Based on the literature, we would expect the highly idealistic and the less relativistic marketers to have a higher moral standard than their counterparts. Although the results from the literature reviewed were mostly based on surveys of U.S. marketers, in general, we would also expect highly idealistic and the less relativistic South African marketers to have a higher moral standard than their counterparts. Nevertheless, this must be empirically verified. Therefore, this research will test the following hypothesized relationships between the two personal moral philosophies and ethical intentions:

H1: Idealistic South African marketers are more likely to express ethical intentions than those who are less idealistic.
H2: Relativistic South African marketers are less likely to express ethical intentions than those who are less relativistic.

**Perceived Ethical Problem**

Hunt and Vitell (1986, 1993) depict perceived ethical problem as the trigger mechanism of the ethical decision-making process, which refers to the fact that if individuals are not aware that an ethical dilemma exists, they do not engage in any process of moral reflection. Jones (1991) calls it recognition of a moral issue. In a study that operationalized elements from the Hunt–Vitell model and the Jones dimensions of moral intensity, Singhapakdi, Vitell, and Kraft (1996) found that higher moral intensity related to greater ethical perception. Vitell, Nwachukwu, and Barnes (1993) proposed that there would be differences between countries in perception of ethical problems, based on Hofstede’s (1980) masculinity/femininity dimension. Singhapakdi et al. (1994) confirmed such differences, in a sample of Thai and American marketers.
Singhapakdi and Vitell (1991) found that salespeople who were more perceptive to the existence of an ethical problem in a situation were more likely to take steps to address the problem.

Finally, in a relatively recent analysis of cultural variables, Trompenaars and Hampden-Turner (1998) found no notable differences between Black and White South Africans (almost all urban respondents) on a dimension they call “specific-diffuse.” Of particular interest in this context, they note some “diffuse” features that tend to characterize Black South African groups, such as “a very direct way of relating, and attaching great interest to principles and a consistent moral stand” (Trompenaars & Hampden-Turner, 1998, p. 221). Therefore, South African marketers should tend to be perceptive to ethical issues, leading (according to the previous studies) to a more ethical intention. Based on all of this literature, therefore, we would expect a negative relationship (because a high number on ethical intention represents agreement with unethical behavior) between perception of an ethical problem and ethical intentions among South African marketers, and have formulated this hypothesis:

H3: South African marketers who perceive an ethical problem in a situation are more likely to have an ethical intention than those who are less aware of the problem.

Corporate Ethical Values

Values are deeply embedded in human personality and society and, therefore, the literature reflects contributions from numerous disciplines, including anthropology, sociology, and psychology. According to Vinson, Scott, and Lamont (1977, p. 45), following mainly a psychological definition for application to consumer behavior, values fall into three categories: global or generalized, domain specific, and evaluations of product attributes. Rokeach, perhaps the most influential scholar in values research in psychology, defined a value as “a centrally held, enduring belief which guides actions and judgments across specific situations and beyond immediate goals to more ultimate end-states of existence” (Rokeach, 1968, p. 161). Values are generally considered to be “highly influential in directing the actions of individuals in society in general and organizations in particular” (Hunt, Wood, & Chonko, 1989, p. 80). If we adopt the Vinson et al. (1977) categories, values that direct individual action within organizations are domain specific; that is, “people acquire values through experiences in specific situations or domains of activity and that behavior cannot be understood or efficiently predicted except in the context of a specific
environment” (Vinson et al., 1977, p. 45). In a widely read book about companies that maintain a high standard of excellence, Peters and Waterman (1982) conclude that almost all of these firms have a highly developed set of shared values at the core of their organizations, including those related to corporate ethics.

Marketing research has confirmed that environment has significant influence on values, specifically ethical values. Many empirical studies (e.g., Brenner & Molander, 1977; Hegarty & Sims, 1978) confirm that an organization’s ethical norms are a major factor influencing moral decision making. Laczniak and Interrieden (1987), using an in-basket experimental design, found the organization’s ethical stance did effect a change in employee behavior, but only significantly when top management concern was enhanced with codes of ethics and tangible rewards and sanctions. Akaah and Riordan (1989) found that a healthier ethical environment led to stronger ethical stands.

Hunt, Wood, and Chonko (1989) conceptualized corporate ethical values as that subset of all corporate cultural values (e.g., pricing policies, treatment of employees, environmental policies) that have ethical dimensions. They postulated that companies with higher corporate ethical values would have higher employee organizational commitment. The results of their study of over 1,200 marketing professionals confirmed a strong positive association between the two variables. Hunt and Vasquez-Parraga (1993) also confirmed a significant relationship between ethical behavior and an organization’s culture. Their results supported “the view that a culture emphasizing ethical values may be best developed and maintained by having salespeople and their supervisors internalize a set of deontological norms proscribing a set of behaviors that are inappropriate, ‘just not done,’ and prescribing a set of behaviors that are appropriate, ‘this is the way we do things’” (Hunt & Vasquez-Parraga, 1993, p. 87, italics in original). Singhapakdi et al. (2000), using Hunt, Wood, and Chonko’s scale, confirmed a negative relationship between corporate ethical values and ethical intentions (again, note that this measurement is reversed; a high number indicates unethical intentions) in a survey of Thai managers.

Based on the foregoing empirical and theoretical work, then, this study tests the following hypothesized relationship involving corporate ethical values:

H4: South African marketers in organizations with higher levels of ethical values are more likely to express an ethical intention than those in organizations with lower ethical values.
METHODOLOGY

Sample
Questionnaires were mailed to 2,000 randomly selected, practitioner members of the South African Institute of Marketing Management. A total of 256 members returned their responses, for a response rate of 12.8%. Given the relatively low response rate, a test for nonresponse bias was conducted. Nonresponse bias was tested using the extrapolation method of Armstrong and Overton (1977), comparing responses between early and late respondents on all the variables in the study. Analysis of variance revealed no statistical differences between the two groups on any of the variables. Accordingly, we do not expect nonresponse bias to be a problem.

In terms of missing data on returned questionnaires, one of two approaches is typically used. The first is to substitute a variable’s mean or median for the missing value, although this approach can be controversial because the substituted value is not a true response. This survey provided a relatively large number of data points; therefore, the missing values were left out of specific analyses and the number

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Most respondents were male (80.2%) and the majority were 40–49 years old. This is generally consistent with the profile of the membership of the Institute of Marketing Management, 70% of whom are male. They are well educated, with 79.2% having at least an undergraduate degree. They represented different industries and the majority had 10–30 years of work experience. Table 1 shows the demographic information in detail.

Measures

Corporate Ethical Values (CEV). The five-item scale from Hunt, Wood, and Chonko (1989) measured corporate ethical values among South African marketers. The five statements were designed as “a composite of the individual ethical values of managers and both the formal and informal policies on ethics of the organization” (p. 79). The items are listed in Appendix B of this article. Respondents answered on a nine-point agree/disagree scale. Reliability of the scale in this study was good, with a Cronbach’s coefficient alpha value of .82. Marketers who score high on the scale believe that their organization occupies relatively high ground ethically.

Personal Moral Philosophies. Idealism and relativism were measured using Forsyth’s (1980) Ethics Position Questionnaire (EPQ), which has ten items on each scale. Each is measured on a nine-point agree/disagree continuum. A typical idealism item is “It is never necessary to sacrifice the welfare of others.” An example of a relativism item is “What is ethical varies from one situation and society to another.” Both scales appear to be reliable, with coefficient alphas of .88 (idealism) and .74 (relativism).

Perceived Ethical Problem. The questionnaire attempted to assess perception and intention by measuring responses to three marketing ethics scenarios (see Appendix A). These were developed by Dornoff and Tankersley (1975) and Reidenbach, Robin, and Dawson (1991), and pretested and adapted for this study. Perceived ethical problem was measured by a single item. After respondents have read a scenario, the questionnaire asks that they express their degree of agreement (on a nine-point Likert-type scale where 1 = completely disagree and 9 = completely agree) with the statement: “The situation above involves an ethical problem.” The use of a single-item measure for this construct is consistent with previous research (e.g., Singhapakdi & Vitell, 1990; Singhapakdi, 1993) and intuitively satis-
fying. Perception is a type of sight, which is measured by a single test that determines how clearly one can discern an object. A one-item scaled measure functions in an identical manner: one either perceives an ethical problem or doesn’t, and beyond that the scaled nature of the item captures how distinctly one perceives it to be a problem.

**Ethical Intention.** We measure respondents’ ethical intentions using the same scenarios, to which they responded by registering how likely it was that they would act as the marketer in each of the situations. Specifically, each respondent was asked to express his or her degree of agreement or disagreement regarding the statement, “I would act in the same manner as [marketer] did in the above scenario.” A nine-point Likert type scale was also used for measurement (1 = completely disagree, 9 = completely agree). The scenarios are examples of marketing behaviors that are generally considered unethical (e.g., deception, withholding information), so agreement with the action (a higher score) indicates less ethical intentions. The use of a single-item measure for this construct is also in keeping with the literature (e.g., Mayo & Marks, 1990; Singhapakdi & Vitell, 1990; Singhapakdi et al., 1996) and appropriate to the nature of scenario testing; that is, because the respondent was answering questions based on a projective technique, the only logical way to capture intention was to ask whether the respondent’s intent would accord with the marketer’s intent in the scenario.

**RESULTS**

As a preliminary step, a correlation analysis of all variables of the study was carried out (see Table 2; there are three correlation matrices, one for each of the scenarios used). The results indicate that some of the independent variables of this study are clearly significant predictors of ethical intentions in most of the scenarios tested (i.e., perceived ethical problems and relativism). The analysis results also reveal some significant correlations between the independent variables, although none between idealism and relativism. Some might expect two moral philosophies to be highly correlated, but according to Forsyth (1980), these are two conceptually separate dimensions. For example, we cannot expect relativistic individuals to be more or less idealistic than their counterparts, nor can we expect idealistic individuals to be more or less relativistic. An ethics study of U.S. marketers by Singhapakdi et al. (1999), which also adopted Forsyth’s moral philosophy dichotomy, did not find a significant relationship between idealism and relativism.
There are, however, some significant correlations between perceived ethical problem and the two moral philosophies, idealism and relativism. Given a high degree of correlations between some independent variables, multicollinearity could be suspected if regression models are used for hypothesis testing. Therefore, to avoid the potential multicollinearity problems, the simple pair-wise correlation analysis, which is an option suggested by Hair, Anderson, Tatham, and Black (1992, p. 49), was used to test all hypotheses of this study.

Results of the correlation analysis reveal that idealism is a significant predictor of a South African marketer’s ethical intention for one sce-
nario only. Hypothesis H1, therefore, is only weakly supported. These data only show weak evidence that more idealistic South African marketers tend to express a more ethical intention in situations with problematic ethical content.

Relativism, however, was significant in two out of the three scenarios tested, and in the hypothesized direction. More relativistic South African marketers are less likely to intend ethical behavior in problematic situations than their less relativistic counterparts. That is, as the correlation indices indicate, more relativistic marketers tend to agree with the unethical actions depicted in the scenarios. Accordingly, hypothesis H2 is generally supported.

Results show perceived ethical problem to be the strongest of the predictor variables. It was significant in all three scenarios, so we can conclude that H3 is supported. South African marketers who perceive problematic ethical content in a situation are more likely to express an ethical intent (note that the correlations are negative, because the intention expressed in the scenario is unethical, so a high number represents a strong intention to behave unethically) than those who perceive the situation to be less problematic.

The fourth predictor variable, corporate ethical values, was not significant in any of the scenarios; hypothesis H4 is not supported. These data do not support a relationship between higher corporate values in a South African marketer’s organization and the expression of more ethical intentions. Although CEV is not a significant predictor of ethical intention as hypothesized, conceptually it is possible that cultural values of the organization can have an indirect effect on ethical intention. For example, ethical culture may sensitize South African marketers to ethical issues and problems (i.e., affect perceived ethical problem). It is also possible that CEV, which is a very important aspect of corporate or organizational culture, indirectly influences ethical intention through moral philosophies (idealism and/or relativism). However, according to our analysis results, CEV, as operationalized, does not appear to have any direct effect on ethical intentions of South African marketers (see Table 2).

**DISCUSSION AND MANAGERIAL IMPLICATIONS**

These data from South Africa show that idealism is clearly a weaker predictor than relativism, using the Forsyth scales. Perhaps this is why a number of recent marketing ethics studies (e.g., Sparks & Hunt,
1998; Marta, 1999) have used only relativism as the measure of personal moral philosophies. The growing consensus in this literature that relativism is negatively related to ethical behavior implies that firms in South Africa that wish to raise ethical standards, or keep them at a high level, should discourage relativistic thinking among their employees. One way to accomplish this is for firms to have clear codes of ethics. Employees should understand that the organization’s codes, as well as all applicable rules and guidelines, must be strictly followed in all problematic situations. Managerial communication should focus on “the way we do things here,” delineating clearly when and where the firm has clear policies about what is and is not ethical. Ethical training should avoid presenting the whole gamut of potential actions in a situation with ethical content, instead presenting only the range of options that the firm considers ethical.

A second result also comes as no surprise: the South African data support a strong relationship between perceived ethical problem and ethical intentions. Numerous studies, as reviewed earlier in this issue, have found evidence of this relationship. Implicit in these results, therefore, are rewards for South African firms that endeavor to strengthen employees’ ethical perception. Given the clear positive relationship between perceived ethical problem and ethical intention, some unethical behavior could be averted by sensitizing South African managers to possible ethical problems as part of their regular ethics training programs. Role-playing activities and ethical scenarios in newsletters might make a game of identifying hidden ethical dilemmas, like the pictures American children try to find in Highlights magazine while waiting to see the doctor or dentist. Consistent with our recommendation earlier, we believe that having clear organizational codes of ethics would also help to sensitize South African managers to a variety of ethical problems.

The most surprising result of this study is the insignificant relationship between corporate ethical values and ethical intentions. It is possible that South Africa’s history of strong government intervention in business might create a situation where marketers interpret law as a proxy for ethics (e.g., “If it’s legal, it’s ethical”). Trompenaars and Hampden-Turner point out that “the law has played a major part in apartheid policies in recent decades” (Trompenaars & Hampden-Turner, 1998, p. 220). Thus, they did not find it unusual that there is a distinct gap between White South Africans and several Black tribes on the “universalism-particularism” dimension, which captures attitudes toward rules and laws. “The universalist approach is roughly: ‘What is good and right can be defined and always applies’”
(Trompenaars & Hampden-Turner, 1998, p. 8). Particularists, on the other hand, believe exceptions must often be made because of obligations to relationships and in unique circumstances. English and Africaans South Africans and Zulus tend to be universalists, while the Xhosa and Tswana are particularist. (This dimension also distinctly parallels Forsyth’s idealism-relativism, and may further explain the mixed results on H1 and H2.)

In South Africa, then, we have a situation where people differ widely in their attitude toward law. Further, the government was an agent of the moral evil of apartheid, and continues to be closely tied to business. All of these elements may explain the interesting corporate ethical values results. “The company” does not affect one’s personal ethical decisions, because “the company” does not function as a free moral agent. It does what the government intends it to do, and its actions are, therefore, by definition legal. If the connection between business and government is understood by some South Africans as having furthered apartheid, then business might be considered generally amoral, or even immoral. Further research could seek to clarify basic perceptions about the morality of business among South Africans.

It is also important to note that the corporate ethical values scale was developed in the United States, and the majority of studies that have used it were also conducted in the United States. It would be helpful to have a scale that had been developed and tested in South Africa, which might capture dimensions specific to that culture. Nonetheless, the scale was originally published in one of the most respected marketing journals, and has repeatedly been found reliable, even in some cross-cultural contexts, as noted above. Also, one of the authors of this study is South African, and she considered the scale applicable within that context. Therefore, the divergent results in this study have been treated as worthy of some consideration.

Although this research investigates two levels of predictors of marketing ethics decisions specified in theories (i.e., individual factors and broader organizational factors), as in any ethics study, only a limited number of specific factors from these levels can be included. Future studies should investigate other factors (of the almost limitless number probably involved in ethical decision making) from these two levels and from the other levels, such as professional environment and industry environment, that are also specified in theories (see, e.g., Ferrell & Gresham, 1985; Hunt & Vitell, 1986). As can be noticed, the results of this study tend to vary between scenarios. Although perceived ethical problem is consistently a signifi-
cant predictor of ethical intention, the results for the two moral
philosophies (idealism and relativism) are not consistent across sce-
narios. This inconsistency suggests that ethical decisions are situ-
ation specific. In other words, as our results indicate, managers could
rely on their moral philosophies (specific philosophies or a combina-
tion of them) in certain ethical situations. It is possible that in cer-
tain ethical situations, neither of the philosophies tested is
operational. Our results are, in fact, consistent with theories. For
example, Hunt and Vitell (1986) argue that major sources of vari-
ance in ethical judgments include not only differences in how peo-
ple apply and choose moral philosophies but also in how people
combine them.

The research stream encompassing marketing ethics has grown sig-
ificantly in recent years, though there is still relatively little informa-
tion about ethical behaviors of marketers who are not Americans.
Scholars call consistently for validation in other cultural contexts; this
research rushes into the breach, with an initial look into ethical inten-
tions among South African marketers.

APPENDIX A: MARKETING ETHICS SCENARIOS

Scenario 1: Misleading the Appraiser

An automobile salesman is told by a customer that a serious engine
problem exists with a trade-in. However, because of his desire to
make the sale, he does not inform the used car appraiser at the deal-
 ership, and the problem is not identified.

Action: The salesman closes the deal that includes the trade-in.

Scenario 2: Overeager Salesperson

A young man, recently hired as a salesman for a local retail store,
has been working very hard to favorably impress his boss with his
selling ability. At times, this young man, anxious for an order, has
been a little overeager. To get the order, he exaggerates the value
of the item or withholds relevant information concerning the prod-
tect he is trying to sell. No fraud or deceit is intended by his actions,
he is simply overeager.

Action: The owner of the retail store is aware of this salesman’s
actions, but has done nothing to stop such practice.
Scenario 3: Withholding Information

Sets of a well-known brand of “good” china dinnerware are advertised on sale at a considerable discount by a local retailer. Several patterns of a typical 45-piece service for eight are listed. The customer may also buy any “odd” pieces that are available in stock (for instance, a butter dish, a gravy bowl, etc.). The ad does not indicate, however, that these patterns have been discontinued by the manufacturer.

Action: The retailer offers this information only if the customer directly asks if the merchandise is discontinued.

1 Source: Reidenbach et al. (1991).
2 Source: Dornoff and Tankersley (1975).

APPENDIX B: CORPORATE ETHICAL VALUES ITEMS

Managers in my company often engage in behaviors that I consider to be unethical.*

To succeed in my company, it is often necessary to compromise one’s ethics.*

Top management in my company has let it be known in no uncertain terms that unethical behaviors will not be tolerated.

If the manager in my company is discovered to have engaged in unethical behavior that results primarily in personal gain (rather than corporate gain), he or she will be promptly reprimanded.

If the manager in my company is discovered to have engaged in unethical behavior that results primarily in corporate gain (rather than personal gain), he or she will be promptly reprimanded.

* These items are reverse scored.

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