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Abstract

Recent ethical failures at some large and once-respected organizations have affected the lives of many people and have illustrated that encouraging ethical behavior is of increasing importance. Ethical behavior on the part of authority figures encourages ethical behavior in subordinates. But codes of ethics must be enforced as well: ethical behavior must be rewarded, while unethical behavior must be punished. Rewards and punishments should be visible to have an impact. Use of groupware is one way to get participation in ethical processes in distributed organizations. Since it has been shown that one's level of moral reasoning increases with education (Kohlberg 1969), universities should also encourage ethical behavior. This paper adapts Jones (1991) model of ethical decision making and applies it to ethical issues in a university context. Specifically, the study examines the effect of authority and proximity in a groupware environment on the decision concerning the level of punishment for a student guilty of cheating.

Keywords: Decision making, ethics, magnitude of consequences, authority, proximity, punishment, penalty, groupware, Group Support Systems, GSS

Introduction

Colossal ethical failures at such firms as Enron, WorldCom, and Arthur Andersen have affected the lives of thousands, if not millions, of employees, investors, retirees, and other stakeholders. Business firms and other social institutions, including universities, must encourage ethical behavior on the part of managers and other employees (as universities must encourage ethical behavior on the part of students and faculty). It seems imperative that ethical behavior must be more strongly encouraged. It has been shown that ethical behavior on the part of authority figures encourages ethical decision making on the part of subordinates. However, for authority figures to act ethically is not enough. Ethical behavior on the part of subordinates should be encouraged and unethical behavior should be punished (Trevino 1986), especially when, as Jones (1991) points out, the "magnitude of the consequences" is high. The foregoing examples show what can happen when unethical decision making becomes the norm in an organization.

Rewards for ethical behavior and punishment for unethical behavior should be visible to people throughout the organization to make it clear that ethics is a serious part of institutional policy. Including people from diverse parts of an organization can help develop shared ethical norms and spread the gospel that ethical behavior is important and encouraged throughout the organization, and that unethical behavior will be punished appropriately. In a large, distributed organization, the use of Group Support Systems (GSS or groupware) is one way of enabling broad participation in reward and punishment decisions by including personnel that could literally be spread across the globe.

Proximity of group members to each other has been a much studied variable in groupware literature (e.g., Hightower and Sayeed 1996.). Although the term proximity is also a factor in Jones (1991) ethical decision making model, Jones refers to proximity as

the feeling of nearness to persons affected by a decision. Decisions for and judgments on rewards and punishment are affected by the feeling of proximity to the person or persons in question. We argue that the determination of rewards and punishment is actually a decision concerning the magnitude of consequences of a person's ethical decisions and actions. Whereas magnitude of consequences is a moderating variable in the Jones model, it becomes an outcome variable in the case of determining rewards and punishment.

The objective of this research in progress is to examine the effects of authority and proximity (feeling of nearness) to the person affected on decisions regarding punishment (magnitude of consequences) for unethical behavior. Since it has been shown that one's educational level is directly related to the level of moral development in Kohlberg's (1969) theory, it is important that universities play a role in encouraging ethical behavior. Therefore, we chose a situation involving cheating in a university environment, in which the group task is to determine the punishment for the cheater and groupware is used to support the process. All groups will be distributed, thus the proximity of the group members to each other is dispersed, as it might be in a large organization. We manipulate the proximity of the group members to the cheater by altering the level of the feeling of nearness to the cheater. We postulate that groups feeling nearer to the cheater will decide on less stringent punishment. We also manipulate the level of authority by having a professor, who is arguing for severe punishment, identified by the groupware in one set of groups, but remaining anonymous in another set. We postulate that in the groups in which the professor is not identified, the effects of authority will be reduced, and the level of punishment will be less severe.

This paper continues with more discussion on ethical decision making models. Our hypotheses and methodology are then described. Since this is a research in progress, we then conclude with implications for research and practice.

Ethical Decision Making Models

Jones' Model

Jones (1991) examined the models of Rest (1986), Trevino (1986), Dubinsky and Loken (1989), Ferrell and Gresham (1985), and Hunt and Vitell (1986), and integrated them into a cohesive model. Jones went on to point out that the prior models failed to consider what he called the "moral intensity" or characteristics of the moral issues at hand. Moral intensity is "a construct that captures the extent of issue-related moral imperative in a situation" (1991, p. 372). Moral imperative is related to the seriousness of the issues and the concomitant requirement to act in a manner consistent with one's moral beliefs. Jones' moral intensity construct includes six elements: magnitude of consequences, social consensus, probability of effects, temporal immediacy, proximity, and concentration of effect. Jones' model also includes three organizational factors: group dynamics, authority factors, and socialization processes. We consider the magnitude of consequences, proximity, and authority.

Magnitude of Consequences

The magnitude of consequences is a moderating variable in the Jones model. In ours, the magnitude of consequences is a decision or outcome variable. This corresponds to many penalty decisions made in business, as well as in society. Employees are typically rewarded for good performance or punished for behavior that doesn't conform to company policy. The amount of the reward (a bonus, for example) or the severity of the punishment determines the magnitude of consequences. This reward/punishment system also corresponds to ethical behavior of students in universities. Students are told to follow the "Golden Rule". Otherwise, they would receive punishment for cheating, plagiarizing, etc. The magnitude of consequences for cheating, for example, may vary from a written warning to expulsion from the university, depending on the situation. In many ethical decision making situations, the task involves deciding on the magnitude of consequences, that is, the severity of punishment or amount of an award or payoff.

Proximity

Jones (1991) suggests that there are both intuitive and empirical grounds for arguing that proximity is important in moral reasoning. For example, it is intuitively appealing to say that you feel closer to someone in your work unit who is laid off as compared to someone in a different company remote from you. This is entirely logical, as you may be able to do something directly to help the person in your work unit. Empirically, Jones cites the famous electric shock experiments of Milgram (1974) who found that "teachers," who thought they were administering electric shocks to "learners," were more obedient to the researchers' instructions to shock the learners when the teachers were physically distant from the learners. Our study examines

the effect of the proximity to the defendant on the penalty outcome. That is the group members will be discussing the penalty decision making situation either with continually viewing defendant information or not.

Authority

Authority is one element that Jones considers an organizational factor that influences ethical decision making and moral behavior. He again refers to Milgram's study as evidence that authority can influence moral reasoning, and also suggests that Janis' (1972) work on groupthink and Asch's (1951, 1955, 1956) work on small group conformity behavior lends support for the idea that the opinions of authority figures affect individual moral reasoning.

Hypotheses

Based on the above discussion, the level of authority and proximity to the defendant should affect the decision of the consequence of punishment. In a penalty decision making situation, the closer proximity to the defendant may lead to leniency in the magnitude of consequence; while the stronger the presence of authority is on a severe punishment may lead to severity in the magnitude of consequence. Therefore,

> H1: *The presence of authority in favor of a harsh magnitude of consequences will result in a decision in favor of a harsher magnitude of consequences than would no authority presence.*

> H2: *The closer proximity to the defendant will result in a decision in favor of a more lenient magnitude of consequences than would no proximity connection.*

> H3: *The difference in the magnitude of consequences between high and low levels of defendant proximity will be the greatest in the high level of authority groups.*

Methodology

In this study we are implementing groupware to manipulate different levels of authority (i.e., identified or not) and proximity (i.e., continually displaying statements from the defendant or not) in a decision making situation to determine the penalty for a defendant. Please note that this paper represents research in progress and that the actual data collection has not yet been done.

Task

The task describes an academic dishonesty scenario. It involves one student in an MIS course copying another student's file that was part of an exam taken on computers in a PC lab. The student who copied the file has admitted guilt and has no prior academic offenses. Therefore, the issue at hand is the severity of the punishment. The potential punishments in the experiment were adopted from university guidelines for such situations and ranged from a disciplinary warning to expulsion from school. The task mentions that the professor of the course took a rather harsh, zero-tolerance approach and recommended expulsion. The panel must now discuss the case and decide upon the punishment.

Groupware Support

Group Support Systems provide electronic communication for group members that introduce different communication characteristics than verbal discussion (Nunamaker et al. 1991). With groupware, group members each have a computer that enables them to contribute information and opinions by typing comments. The comments are displayed, either anonymously or identified, to all group members. Other groupware processes may be invoked, such as visual cues, identification of comments from key group members, and distribution of the group.

In this study, GSS is used to mitigate proximity (by displaying defendant's statement on the screen or not) and authority (by identifying faculty member comments on the screen or not). The group members are dispersed. Having a GSS setting as this is

an alternative to verbal discussion or face-to-face GSS use. With the escalation of online courses and hectic schedules, the distributed group is increasingly warranted.

Participants

Students taking an introductory MIS class will be asked to participate in the experiment involving the cheating task. They will be given extra credit points for participating in the experiment. Students are customarily involved as panelists in the adjudication of cheating cases in most institutions of higher learning, so the task is one that is relevant to them. Panels in the experiment consist of 1 faculty member and 5 students.

The objective of this study is to understand individual ethical decision making in a groupware environment – specifically, to understand if defendant proximity and the presence of authority affect individual penalty judgments. The unit of analysis is thus the individual study participants, not the group as a whole. While, the study could be conducted in the traditional manner with subjects using groupware to interact with one another, we did not chose this approach since each group could end up going in vastly different directions, greatly complicating the analysis. Instead, we adopted the approach of Hilmer and Dennis (2001) and will use a groupware simulator. The groupware simulator looks and acts like a regular GSS tool, except that it displays the scripts that have been prepared in advance. The scripts are based on a manual pilot of the experiment, in which individual students had written comments about their evaluations of the cheating situation. The subjects will see their own comments and the prepared comments from the student scripts and a professor script. In order not to bias the study's outcome, subjects will not be informed that they are using a simulator until the end of the experiment.

Treatments

With the goal of this research being to understand the effects of proximity and authority on penalty decision making in a group setting, a laboratory experiment with a 2x2 design, crossing proximity with authority factors will be implemented. Each subject will be randomly assigned into one of the four treatments. They will enter comments into the groupware simulator to discuss the academic dishonesty situation. Subjects will see their own comments and the comments from the groupware simulator script being displayed. Each treatment will display the same comments at the same designated time intervals, but the way that the comments are identified (to represent authority) and the visual stance of the defendant's statement (to represent the proximity) will be different.

Anonymous vs. Identified Authority

To designate a low authority level, comments will be displayed anonymously. That is, subjects will not know if the displayed comments are from a student or the professor. To designate a high authority level, comments by the professor will be identified by an icon next to them. Student comments will be identified by a generic icon, individual students will not be identified. The icons will be gender, race, and age neutral.

Low vs. High Proximity

To designate a high proximity level, a statement from the defendant will be displayed prominently and continually on the groupware screen during the group discussion. To designate a low proximity level, the defendant's statement will not be displayed during the group discussion.

Procedures and Measures

Subjects will be randomly distributed into lab rooms so as not to see each other during the experiment and will complete a background questionnaire and experimental consent form. They then will receive the task information and enter their initial individual decision. All questionnaires and the task information will be given on the computer.

Subjects would first be trained on how to use the groupware by doing a short practice task, and then will use the groupware to discuss the cheating situation. After a specific amount of time, subjects would enter their concluding individual decision and

answer the post-session questionnaires; ranking their most important comments, discussing their choice, and responding to statements dealing with satisfaction, group and defendant proximity, and authority. The final questionnaire will ask if they felt the group was real or simulated. The subjects would then be debriefed.

Implications for Research and Practice

After the data are collected and analyzed, we will better understand the implications of this study for practice and future research. In the meantime, we anticipate that more research can be conducted in a groupware setting based upon the elements of Jones' model. We can also foresee the desire of some managers to manipulate their company's groupware so that ethical decisions have an outcome geared towards the company's goals and culture. Indeed, one must be cautious of the results of this study so as not to steer ethical decisions unethically.

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