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Assumptions in Decision Making Scholarship: Implications for Business Ethics Research

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Abstract While decision making scholarship in management has specifically addressed the objectivist assumptions within the rational choice model, a similar move within business ethics has only begun to occur. Business ethics scholarship remains primarily based on rational choice assumptions. In this article, we examine the managerial decision making literature in order to illustrate equivocality within the rational choice model. We identify four key assumptions in the decision making literature and illustrate how these assumptions affect decision making theory, research, and practice within the purview of business ethics. Given the breadth of disciplines and approaches within management decision making scholarship, a content analysis of management decision making scholarship produces a greater range of assumptions with finer granularity than similar scholarship within business ethics. By identifying the core assumptions within decision making scholarship, we start a conversation about why, how, and to what effect we make assumptions about decision making in business ethics theory, research, and practice. Examining the range of possible assumptions underlying current scholarship will hopefully clarify the conversation and provide a platform for future business ethics research.

Keywords Decision making · Objectivism · Constructionism · Sensemaking · Dual-processing · Intuitions · Teaching business ethics

Introduction

Early work in decision making began with basic objectivist assumptions wherein individuals and groups could perceive the world as it is, and careful and deliberate cognition could uncover the one right solution to managerial decisions. Recent work in social cognitive sciences has raised questions about decision making and served to create ambivalence about decision making models, theories, and the associated assumptions. While management scholarship has moved away from a monogamous relationship with the rational choice model, business ethics has yet to forge a bridge between rational choice theorists and current decision making findings. We decided to examine the more theoretically robust management scholarship for insights into ethical decision making.

In fact, the basis for most decision making research in business ethics relies upon Rest's (1986) model of individuals as rational actors (O'Fallon and Butterfield 2005; Loe et al. 2000). Yet, such a rational choice model has come under scrutiny within both management and ethical decision making literature (McVea 2009; Sonenshein 2006; Bartlett 2003). As noted by Tenbrunsel and Smith-Crowe, "The implicit assumptions of deliberate processing within the traditional rationalist models limits theoretical models and their corresponding research" (2008, p. 588–589). In fact, reviews on ethical decision making scholarship leverage Rest's model to make sense of the volume of inconclusive findings while simultaneously seeking to "encourage

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critical evaluation of this framework” (O’Fallon and Butterfield 2005, p. 399).

Management decision making provides a parallel stream of research which has dealt with such a move away from solely relying upon rational decision making models and is interesting to business ethics for several reasons. First, both management and business ethics scholarship are focused on the same individuals in the same organizations making the same decisions. In addition, both disciplines draw on the same foundations—psychology, decision sciences, sociology, economics, etc. Finally, given the breadth of disciplines and approaches within management decision making scholarship, such as economics, psychology, sociology, etc., a content analysis of management decision making scholarship produces a greater range of assumptions with finer granularity than similar scholarship within business ethics. Therefore, much of ethical decision making scholarship in business ethics is based on the rational choice model (Tenbrunsel and Smith-Crowe 2008) and the discipline needs to move away from such rationalist assumptions to incorporate alternative processing styles (Cushman et al. 2006). Management decision making has supplemented the rational choice model in their scholarship. Since both management and business ethics draws on a similar philosophical tradition and analyze the same individuals and organization, findings incorporated in management decision making assumptions should have a parallel implication for business ethics.

Rational choice models have long been criticized within business ethics, yet specific refutations of underlying assumptions are needed to develop implications to business ethics theory, research, and practice. We examine the implications of the assumptions for business ethics research and identify how relaxing current assumptions could lead to new avenues of research in the field. In this article, we examine managerial decision making literature in order to illustrate equivocality within the rational choice model and identify implications to business ethics. We move from objective linear steps within the rational choice model to *axes of assumptions* which are both implicit and explicit underpinnings of management decision making scholarship. In doing so, we examine a range of *construal* of the issue, *speed* of deliberation, *reasons* within the intent, and *social embeddedness* of the action and process. In the spirit of more integrative research (Hambrick 2007), we use content analysis to explore these four integrated axes. Researchers interested in ethical decision making will be better able to build on previous work by categorizing and comparing their own work. We provide a bridge between our existing business ethics scholarship relying upon the Rest’s model and current findings within management and psychology scholarship.

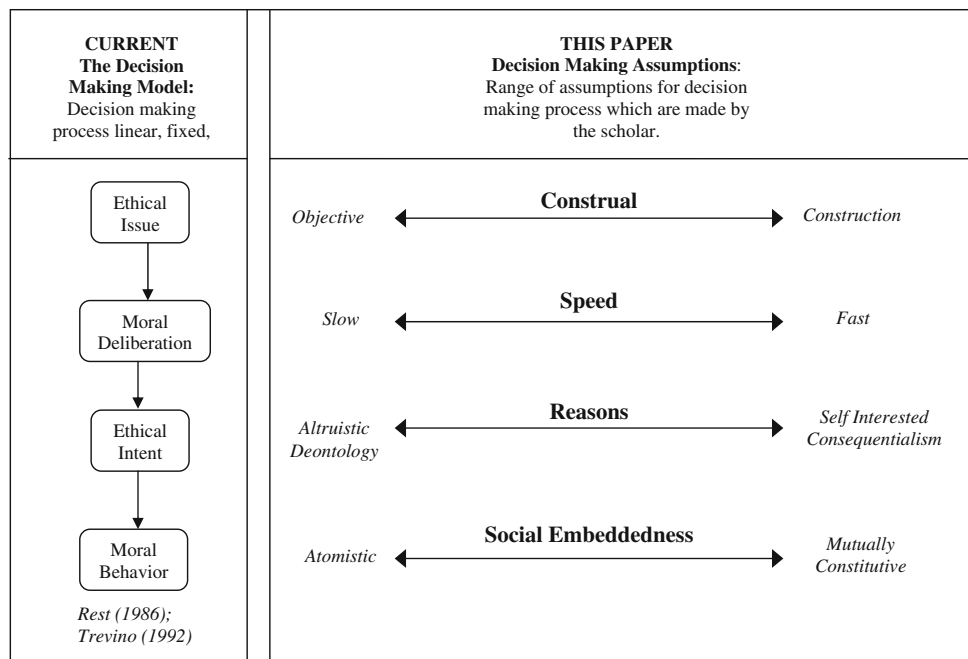
We approach the review of management decision making scholarship with three objectives. First, work within the simulation of decision process illustrates the power in making key assumptions of the decision process explicit (Repenning 2002). By clearly delineating the assumptions underpinning our theoretical models and research, we increase the internal validity, usability, and extendibility (Axelrod 1997) of decision making scholarship. For example, factors of decision making—such as the issue, the decision maker, the situation, the issue, etc.—may be held constant by design; therefore, making such design decisions conscious, deliberate, and explicit is important for the generalizability of any particular study. Second, we hope that making these assumptions explicit can also foster conversation about them—specifically to address when and why certain assumptions are warranted or when and why certain assumptions can be controlled and held as objectively known. By breaking these assumptions out into four axes and illustrating a continuum rather than dichotomous choices, we can promote scholarship-specific assumptions on decision making rather than further calcify camps of decision making scholars. Third, we offer important implications to business ethics research at a theoretical level and for research design more specifically. By identifying the core assumptions within decision making scholarship, we can begin to ask why, how, and to what effect can we make assumptions about decision making in business ethics theory, research, and in practice.

Literature Review

In order to categorize how management scholarship had supplemented the rational choice model, we began by searching for articles with ‘decision making’ in the title or abstract and published in four top management journals, *Academy of Management Review*, the *Academy of Management Journal*, *Administrative Science Quarterly*, and *Organization Science* within the past 20 years. We believe that this is a representative sample of cross-disciplinary work on decision making and would directly parallel the implications for business ethics.¹ Both management and

¹ While our sampling of decision making literature does not draw on research published in journals explicitly founded to tackle the topic, such as *Journal of Behavioral Decision Making*, and *Decision Sciences*, we believe the four journals utilized as a sampling pool suitably represent current thinking on *management* decision making and pull from books and journals which specialize in decision making. These four journals focus on particular theoretical and methodological perspectives, and we believe that our selection of journals adequately represents those perspectives as well as includes diversity from other perspectives.

Fig. 1 From decision making models to decision making assumptions



business ethics scholarship focus on individuals in organizations, can be considered cross-disciplinary by building on economics, psychology, sociology, etc., and historically have relied upon the economic rational choice model for decision making. As such, new findings on decision making within each area of specialty should have similar implications for management and business ethics scholarship.

Our search resulted in 292 articles which we reviewed and *inductively* categorized according to themes that emerged. Each author independently coded the articles as to (a) unit of analysis (individual, team, organization) and (b) assumptions about the underlying decision making model. We compared codes and resolved differences which resulted in an initial list of three types of assumptions: the amount of social embeddedness, the range of construal of the issue, and the processing speed of the decision maker. An article by Hastie (2001) and a movement away from consequentialism in the management literature caused us to add the range of reasons as an axes. Every 20–30 articles, the authors would revisit the list of assumptions until the list no longer needed changing whereupon we reached theoretical saturation. This process was iterative and inductive while also being guided by theory. We realized, for example, that research on sensemaking (Weick 1995) had moved away from issues being objectively known to issues as construed. We also attempted to link these assumptions back to the current rational choice model as depicted in Fig. 1.

From this initial list of articles, we found 123 which were included in the analysis focused on individual

decision making scholarship and listed in Table 1.² Of the remaining 168 articles, 68 were focused on organizational decision making, 39 were not focused on decision making, 30 were focused on group decision making, 17 were book reviews, and 9 were calls to management theory.³ Examining the number and distribution of articles along the axes we propose is compelling evidence for our claim that research on decision making is polarized and in need of an assessment of its basic assumptions (Margolis and Walsh 2001).

Here, we examine management scholarship along a range of possible assumptions along four axes: the role of construal, the speed of the process, the range of reasons, and the social embeddedness of decision making. Overall, we found a movement away from objectivist, linear decision making process as well as a range of interactions between the decision maker and their context (social embeddedness), and between the decision maker and the decision making process (construal). In addition, we found differing reasoning and processing speeds assumptions throughout the management decision making scholarship. Read charitably, previous objectivist assumptions have a

² While future work may apply a similar methodology to analyze group or organizational analysis, we found that a firm understanding of the individual was a necessary prerequisite to theorizing or researching the group or organization. Therefore, work on top-management-teams, boards of directors, and general groups were not included. In addition, organizational level decisions were not considered in this initial analysis.

³ The remaining articles were single instances of award winning articles summaries or articles at the industry level.

Table 1 Management decision making articles

Date	Author	Jnl	Embeddedness	Construal	Speed
2008	Takeuchi and Shay	AMJ	1	2	Slow
2008	Ragins	AMR	3	1	Slow
2008	McCarthy and Puffer	AMR	2	2	Slow
2007	Shimzu	AMJ	2	2	Slow
2007	Plowman, Baker, Beck, Kulkarni, Solansky, and Travis	AMJ	3	3	Fast
2007	Kulik, Roberson, and Perry	AMR	3	2	Both/F
2007	Forbes	AMR	2	3	Neither
2007	Brodbeck, Kerschreiter, Mojzisch, and Schulz-Hardt	AMR	2	2	Slow
2007	Dane and Pratt	AMR	1	2	Both/F
2007	Myeong-Gu and Barrett	AMJ	1	1	Both/S
2007	Guler	ASQ	3	2	Slow
2007	DiTomaso et al.	ASQ	3	2	Slow
2007	DeVoe and Pfeffer	AMJ	1	3	Slow
2006	Wang and barney	AMR	1	1	Slow
2006	Chatgtopadhvay et al.	AMR	1	3	Slow
2006	Jeppesen and Frederiksen	OS	2	1	Slow
2006	Sorenson and Waguespack	ASQ	3	2	Slow
2006	Baum et al.	ASQ	2	2	Slow
2006	Bottom et al.	ASQ	2	3	Slow
2005	Jansen et al.	AMJ	1	3	Neither
2005	Gavetti	OS	2	2	Slow
2005	Boone et al.	AMJ	2	2	Slow
2005	Hambrick, Finkelstein, and Mooney	AMR	3	2	Both/S
2005	Ganster	AMR	2	1	Both
2004	Romme	OS	2	1	Slow
2004	Graebner and Eisenhardt	ASQ	2	2	Slow
2004	Maitlis and Ozelik	OS	2	2	Both/F
2004	Batjargal and Liu	OS	3	1	Slow
2004	Kogut and Kulatilaka	AMR	2	1	Slow
2004	Maertz and Campion	AMJ	2	2	Both/S
2004	Atuahene-Gima and Haiyang	AMJ	2	3	Slow
2003	Certo	AMR	1	2	Slow
2003	Simon and Houghton	AMJ	2	3	Slow
2003	Mcguire and Matta	AMJ	1	1	Slow
2003	Gundlach, Douglas, and Martinko	AMR	2	2	Slow
2003	Fiol and O'Connor	AMR	2	3	Slow
2003	Green, Welsh, and Dehler	AMJ	2	2	Slow
2002	Schaubroeck and Lam	AMJ	3	1	Both/F
2002	Barsade	ASQ	3	2	Both
2002	Simon et al.	AMJ	2	2	Slow
2002	Maurer, Pierce, and Shore	AMR	3	2	Slow
2002	Nelson	OS	1	1	Slow
2002	Wade-Benzoni et al.	AMR	1	2	Slow
2002	Brockner	AMR	3	3	Slow
2001	Rao, Greve, and Davis	ASQ	3	1	Both/F
2001	Sutcliffe and McNamara	OS	3	2	Both
2001	Boland et al.	AMJ	1	3	Slow
2001	Henderson and Fredrickson	AMJ	2	1	Slow

Table 1 continued

Date	Author	Jnl	Embeddedness	Construal	Speed
2000	Stevenson and Greenberg	ASQ	3	3	Slow
2000	Priem and Rosenstein	OS	1	3	Slow
2000	Mitchell et al.	AMJ	2	2	Slow
2000	Flannery and May	AMJ	2	1	Slow
2000	Tetlock	ASQ	1	3	Both
2000	Trevino, Webster and Stein	OS	2	2	Slow
2000	Labianca, Gray, and Brass	OS	3	3	Both
2000	Elsbach and Eloffson	AMJ	2	2	Slow
1999	Tenbrunsel and Messick	ASQ	2	3	Slow
1999	Werder	OS	2	2	Both
1999	McNamara and Bromily	AMJ	1	2	Slow
1999	Dulebohn and Ferris	AMJ	3	2	Slow
1999	Elsbach and Barr	OS	1	3	Both
1999	Frooman	AMR	2	1	Slow
1998	Tenbrunsel	AMJ	1	2	Slow
1998	Nutt	OS	2	2	Slow
1998	Bazerman, Tenbrunsel and Wade-Benzoni	AMR	1	1	Slow
1998	Greve	ASQ	1	2	Slow
1998	Ashford et al.	ASQ	3	3	Slow
1997	Jones and Ryan	OS	2	2	Slow
1997	McNamara and Bromily	AMJ	2	2	Slow
1997	Mosakowski	OS	1	2	Slow
1997	Kunreuther and Bowman	OS	1	2	Slow
1997	Sharma	AMR	2	1	Slow
1997	Tosi, Katz, and Gomez-Mejia	AMJ	2	1	Slow
1996	Bamberger and Fiengenbaum	AMR	2	1	Slow
1996	Gunz and Jalland	AMR	2	1	Slow
1996	Barry and Bateman	AMR	1	1	Slow
1996	Dean and Sharfman	AMJ	2	2	Slow
1996	Reger and Palmer	OS	2	3	Both
1995	Leidner and Elam	OS	2	1	Slow
1995	Sitkin and Weingart	AMJ	2	2	Slow
1995	Weber	OS	3		Slow
1995	Elangovan	AMR	2	1	Slow
1995	Staw and Hoang	ASQ	1	1	Slow
1995	Walsh	OS	3	3	Both
1995	Langley et al.	OS	3	3	Both
1995	Laroche	OS	3	3	Both/Slow
1994	Haunschild, Davis-Blake, and Fichman	OS	2	2	Slow
1994	Perry, Davis-Blake, and Kulik	AMR	2	2	Slow
1994	Haunschild	ASQ	2	1	Slow
1994	Wally and Baum	AMJ	2	2	Both/S
1994	Rosman, Lubatkin, and O'Neill	AMJ	2	3	Both/S
1994	Melone	OS	2	2	Slow
1994	Corner, Kinicki, and Keats	OS	3	3	Slow
1994	Boland, Tenkasi, and Te'eni	OS	3	3	Slow
1994	Konovsky and Pugh	AMJ	2	1	Slow
1994	Feldman	AMR	2	2	Slow

Table 1 continued

Date	Author	Jnl	Embeddedness	Construal	Speed
1994	Lee and Mitchell	AMR	2	3	Both
1993	Bies and Tyler	OS	1	3	n/a
1993	Dutton and Ashford	AMR	3	3	Both
1993	Lind, Kulik, and Ambrose	ASQ	1	2	Slow
1993	Harrison and Harrell	AMJ	1	1	Slow
1993	Nutt	OS	3	3	Both
1992	Leana, Ahlbrandt, and Murrell	AMJ	2	2	n/a
1992	Ching, Holsapple, and Whinston	OS	2	1	Slow
1992	Sitkin and Pablo	AMR	2	2	Slow
1992	Brockner	AMR	2	1	Slow
1991	Judge and Miller	AMJ	2	2	Both
1991	Jones	AMR	2	1	Slow
1990	Porac and Thomas	AMR	1	2	Slow
1990	Saunders and Jones	AMR	3	3	Both
1990	Lord and Maher	AMR	3	3	Both
1989	Wood and Bandura	AMR	3	3	Neither

degree of equivocality where holding the issue, deliberation, intent, and consequences to have a fixed content or priority is a decision for researchers which now requires justification.

Next, we present these interconnected assumptions—the role of construal, social embeddedness of the individual, the variability in speed, and the range of reasons in the decision making process—along with examples from scholarship that exemplify our claims and draw implications for business ethics.

From Issues to a Range of construal

Construal is the role of the decision maker in crafting the decision making process: more objectivist assumptions place the decision maker as receiving or uncovering cues, issues, process, and correct answers whereas more constructivist assumptions place the decision maker taking a more active role in making sense either subconsciously or consciously. The latter perspective on the role of the individual in constructing the decision process is found in management theorists who foreground the ability of individuals and groups to interpret situations and problems differently (Weick 1979; Berger and Luckmann 1967). As summarized by Perrow, “We construct an expected world because we can’t handle the complexity of the present one, and then process the information that fits the expected world, and find reasons to exclude the information that might contradict it” (1999, p. 214). More succinctly: “we pick out essential qualities” upon which we make meaning (James 1890, p. 303).

While traditionally scholarship focuses on the issue as either objective or construed, many facets of the decision making process can be held constant or objectified in theory and research. Alternatives (Ganster 2005), optimality or type of outcome (Romme 2004; Elangovan 1995; Konovsky and Pugh 1994; Dean and Sharfman 1996; Flannery and May 2000), uncertainty (Batjargal and Liu 2004); ambiguity (Mosakowski 1997), and the “wrongdoing act” (Gundlach et al. 2003) are held out as known and, more importantly, objectively identifiable by individuals and researchers.

Alternatively, the process of ‘figuring it out’ is examined and the decision making process is viewed as construed or interpretive. Parallel to the more objective studies, standard facets of the decision making process open to construal are the issue (Stevenson and Greenberg 2000), reason (Feldman 1994), process (Melone 1994), output (Ragins 2008; Elsbach and Eloffson 2000), decisions (Perlow et al. 2002), decision makers (Langley et al. 1995), fairness (Brockner 2002; Dulebohn and Ferris 1999; Lind et al. 1993), and context in general. Recently, in studying how employees decide to disclose a social stigma, Ragins (2008) shows the importance of how the employee constructs the consequences of their disclosure. Likewise, Perlow et al. (2002) focus on how managers construct the role of speed in their venture and how that construction can trap them into acting irresponsibly. In other words, there exists a wide range in what the researchers allow to be constructed and what they assume to be objective.

Interestingly, while a few research studies maintain multiple facets of the decision making process (or the

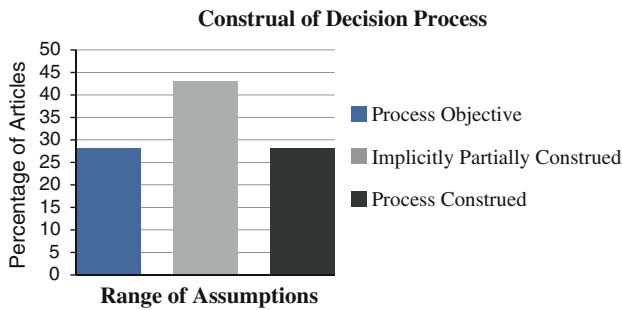


Fig. 2 Assumptions in decision scholarship: construal of decision process

decision making process *in toto* (Laroche 1995)) open to construal, the majority focus on unpacking one or two sub processes and holding constant the remainder of the decision making process. Hence, Fig. 2 illustrates that most management scholarship reviewed contains implicitly nuanced assumptions about the objective nature of the decision process. In this manner, limiting assumptions act similar to control variables in more quantitative research: researchers allow for certain facets to be construed while holding other subprocesses constant in assuming them to be objectively known and fixed. This allows researchers to focus on fewer factors within one experiment thereby increasing statistical power and simplifying the design. For example, within one study the issue, reasoning, and decision may be objectively known by all while the break even reference point and threat point are construed (Shimizu 2007).

Furthermore, while some studies explicitly hold certain subprocesses as objective or constant while allowing others to be unpacked as construed, researchers can also inadvertently fall into objectivist assumptions through their research design. These more implicit objectivist assumptions are seen in a study of an objective issue on a web site (Seo and Barrett 2007) “with clearly observable variations in key dimensions of decision making such as risk taking” (p. 928). These objectivist assumptions can also be seen when context is ‘measured’ rather than construed (Sutcliffe and McNamara 2001) and individuals as assumed to follow rules set by the organization. In sum, while prototypical camps of objective and construal scholarship exist, most management scholars reviewed here have moved away from a dichotomous decision between construal versus objective decision making and toward a more targeted set of assumptions about the role of the individual in crafting the decision making process.

Implications for Business Ethics

This range of construal is also found within business ethics. Consider Jones’ (1991) model of moral intensity which

assumes that individual judgments are affected by the objective moral intensity of an issue. Issues in which more people are harmed are more morally intense and should therefore receive more careful deliberation by actors. While individuals may vary on the degree of moral awareness—their ability to identify morally intense issues—the issue itself is considered to be known independent of the individual according to Jones (1991). In contrast, Sonenshein (2006) crafts a model where individuals make sense of issues differently, and what may be a salient and intense issue for one individual may not be for another—depending on how they construct the issue.

Paying attention to how individuals and groups interpret their world is important for several reasons. Given the large literature on construal and interpretation in management decision making, studies that deviate from that assumption now carry the burden of proof: these authors should at a minimum offer an argument for why assuming away interpretation and construal is useful in their work, and this justification needs to be more robust than just relying on paradigm norms. Furthermore, the implications for the generalizability of the scholarship are profound. If research or models are based on an issue being objectively known, then the proposed process or conclusions are only applicable to situations identified as “ethical” and agreed upon by everyone—perhaps a smaller scope than previously presumed.

Deliberation: Range of Speed

The second axes of assumptions rests on the range of speed in the decision making process. Human beings are equipped with two processes for cognition. First, there is a “fast” system which relies on intuition wherein individuals cannot immediately articulate how they know something that results from this process but associate a decision with a gut feeling or an emotion (Gladwell 2005; Dane and Pratt 2007). Second, there is a “slow” or deliberate cognition system which more closely resembles rational thinking as described in the management decision making scholarship.

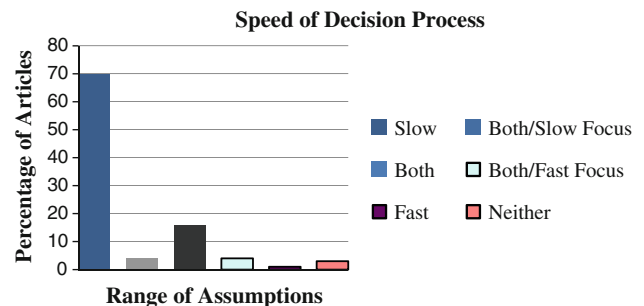


Fig. 3 Assumptions in decision scholarship: speed of decision process

Most management decision making scholarship reviewed here focuses explicitly on slow, deliberate, conscious processing without acknowledging alternative processing speeds as illustrated in Fig. 3. For the last 20 years, few studies focus exclusively on intuition or fast sub-conscious decision making with some notable recent exceptions (Dane and Pratt 2007; Seo and Barrett 2007; Perlow et al. 2002; Busenitz and Barney 1997). Scholarship which does acknowledge a range of decision making speed focuses on *either* fast, intuition based decision making (Dutton and Ashford 1993; Nutt 1993; Maitlis and Ozelik 2004; Schaubroeck and Lam 2002; Rao et al. 2001; Lee and Mitchell 1994) or slow, reason based decision making (Plowman et al. 2007; Seo and Barrett 2007; Laroche 1995).

We found few studies that tried to integrate the two approaches (Sonenshein 2007; Reynolds 2006; Tetlock 2000; Labianca et al. 2000). The newer dual processing models remained focused on intuition (Dane and Pratt 2007) or see cognitive short cuts which are pushed into slower procedural decisions by the organization (Sutcliffe and McNamara 2001). However, dual (or multi-) processing models need not prioritize one type of decision making over another (Judge and Miller 1991) and some see both intuition and analytical processes as useful (Werder 1999; Elsbach and Barr 1999; Lord and Maher 1990). In fact, we found the acknowledgment of multiple, valid processing models from 1991 (Judge and Miller 1991), which calls the newness of dual processing models into question.

An interesting subset focusing on slow processing acknowledges variance in decision making speed and views pace as a continuum, (Wally and Baum 1994) with faster processing as a result of more experience (Rosman et al. 1994) and without one type of pace as logically superior to another (Ganster 2005; Hambrick et al. 2005). For example, individuals may have stereotypes based on quick judgments as well as more deliberate decision making (Kulik et al. 2007).

Implications for Business Ethics

Until recently (Sonenshein 2006) business ethics focused on slow, deliberate process. In fact, even dual process models retain a normative preference for slow processes (Reynolds 2006). However, our interpreted ideas or “unconscious inferences” (James 1890, p. 326) have a range of familiarity and completeness about them. The less familiar or complete, the more likely we are to actively deliberate or, at minimum, hesitate to reflect on our tentative idea. For those individuals who have the accumulated experience and expertise to use fast processing effectively, this provides many benefits. They need not start from scratch each time to know what to filter out and

where to place attention (Dane and Pratt 2007). In other words, slower processing is not necessarily indicative of a better or more ethical decision, and intuitions are contingent on slower processing (Dane and Pratt 2007).

Many studies make a sharp distinction between the slow, conscious and the fast, sub-conscious processing, but recent research questions the value of separating these systems since their interconnections are becoming better understood—both rely on the short-term and long-term memory stores and mutually reinforce each other (Moll and de Oliveria-Souza 2007; Cushman et al. 2006).

This mutually constitutive relationship between fast and slow processes provides an area for future research. Past experience, biological instincts, and social influences can all shape how an individual construes a situation without the individual actively and consciously organizing that information. Haidt’s (2001) work on moral intuitions and Dane and Pratt’s (2007) model of intuitions point to the development of intuitions as a possible direction for teaching business ethics. The debate about the predominance or priority of fast versus slow decision making prevents scholarship from looking under the hood of both of these mechanisms and examining the meanings and construals that shape decision making. For example, work in psychology has demonstrated that time pressure impacts how important framing is to a decision with faster decisions being more influenced by loss-framing. In addition, participants acted as if they were under time pressure unless given explicit instructions to ‘take their time’ (Kern and Chugh 2009). Furthermore, work with fMRIs in social cognition or biopsychology illustrates the complicated interplay between these processes without necessarily prioritizing one speed over all others, and this scholarship points to the importance of understanding both types of reasoning.

Form Intent to a Range of Reasons

The third axis illustrates a range of reasons within management decision making scholarship. While explicit and pervasive in ethical decision making literature, traditional debates between consequential-versus rule-based reasoning were not as prevalent in management decision making. In fact, not all decision-making scholarship prioritizes or identifies a typology of reasoning, i.e., reasoning is not a factor to measure or consider in the decision making process (Takeuchi et al. 2008; Forbes 2007; Boland et al. 2001). For others, the type of reason offered *is* the unit of analysis: the goal of the research is to parse out types of reasons (Dutton and Ashford 1993; Melone 1994).

While consequentialism remains the reason of choice for management decision making researchers (Lord and Maher 1990; Ragins 2008) on matters as diverse as the decision to

volunteer (DeVoe and Pfeffer 2007) or the decision to invest (Wang and Barney 2006), character and recognition also explain why users contribute to user communities (Jeppesen and Frederiksen 2006), and power, justice, and prosocial reasons are factors in deciding to blow the whistle within an organization (Gundlach et al. 2003). Further, procedural fairness (Lind et al. 1993; Dulebohn and Ferris 1999), social acceptance (Jones and Ryan 1997), rules (Sutcliffe and McNamara 2001), and a combination of trust, respect for private property, and Blat (personal favors) (McCarthy and Puffer 2008) all constitute valid reasons in management decision making scholarship rather than simple consequences.

Interestingly, reasoning as an attribute of decision making can also be differentiated on the focus of concern of the decision maker. While the individual or the organization is assumed to be the object of concern for decision makers, we also found a concern for groups (Dutton and Ashford 1993) such as the decision maker, supervisor, and organization (Maurer et al. 2002) or a courtship of alliances which “belies the rhetoric of price and self-interest” (Graebner and Eisenhardt 2004).

The prototypical reasoning focused on the immediate consequences for the individual (Tosi et al. 1997) or myopic, short term self justification (Brockner et al. 1992) can also be inadvertent due to experiment design in the questions asked (e.g., Henderson and Fredrickson 2001) and the subjects chosen (Frooman 1999; Tenbrunsel 1998).

However, rather than choose between either self-interested consequences or a duty to others, multiple reasons are used in different situations and the ability to reason differently and acknowledge multiple outcomes is found to be a strategic advantage (Bottom et al. 2006; Atuahene-Gima and Haiyang 2004). In fact, relying on short term utilitarianism is found to be problematic (Tetlock 2000) within management. All encouraging findings for business ethics because it broadens managerial decision making beyond short term consequences, to principles, character and values.

Implications for Business Ethics

The dualistic bias between ‘strategic’ self-interest versus ‘ethical’ altruism finds its way into ethical decision making literature (Sonenshein 2007) particularly when the researcher is searching for ethical versus non-ethical decisions.

As noted by Hastie (2001), models of non-consequential decision processes are much needed in the decision making field *in toto* (p. 664), and business ethics can continue to shed light on alternative reasoning used in decision making. In this manner, business ethics has something to offer to general management decision making scholarship in the

form of reasoning and rationales which move away from mere consequences. In addition, the created tension of self-interest versus a concern for others glosses over a more complicated yet prevalent concern for groups, partnerships, and organizations which include the decision maker. Parsing out the different forms of reasoning and objects of concern is a more complicated research goal, yet such nuanced reasoning is a source of competitive advantage in practice as noted above and could be an area of strength within business ethics scholarship.

When one type of reasoning is prioritized such as self-interested consequentialism, alternatives can be considered irrational (Staw and Hoang 1995) or ethical (Sonenshein 2007). As such, forcing a dichotomous choice of self-interest *or* altruism leaves the researcher little choice to categorizing reasons. Similar to the difficulty in capturing the heterogeneity in reasoning tactics, individuals who consider multiple parties are caught in a no-man’s land of concern. Further, and as is discussed in the implications for research below, individuals utilize multiple and heterogeneous reasoning tactics *within one decision* and capturing that plurality is difficult for both management and business ethics decision making scholarship.

From Action to a Range of Embeddedness

The fourth and final axis is the range of social embeddedness of the decision making process as illustrated in Fig. 4. Herbert Simon’s view of decision making, outlined clearly in *Administrative Behavior* (1945), and subsequent essays (Simon 1955, 1962), became a rallying point for theorists not enamored with neo-classical explanations of behavior from economics. Simon’s work on bounded rationality set the stage for the study of decision making in management. Despite his efforts for researchers and practitioners to see decision making as a contextually situated endeavor, Simon’s work—particularly his outline of the decision making process as a three stage process (identification of alternatives, determination of consequences, and evaluation of consequences)—has bred a litany of work that focused on the decision maker to the exclusion of

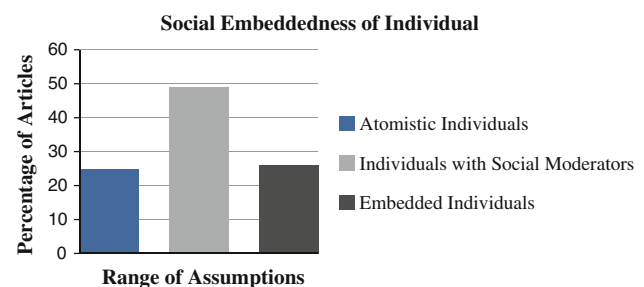


Fig. 4 Assumptions in decision scholarship: social embeddedness of individual

social factors. The atomistic individual is the key level of analysis for a variety of classic studies on decision making citing Simon as their starting point (Huber 1990; Soelberg 1966).

However, while atomistic approaches place the decision maker in isolation without impacting or being impacted by the environment, most management scholarship reviewed here places the individual within a continuum of social embeddedness. Within the stream of scholarship which focuses on how the individual is influenced by the environment, the particulars of the context, such as the role of technology (Leidner and Elam 1995) or sanctioning systems (Tenbrunsel and Messick 1999), or the particulars of the individual, such as the risk propensity (Sitkin and Pablo (1992), can be isolated for a more focused analysis on a subset of the decision making process. For example, Wally and Baum (1994) study how a particular facet of the context (the degree of centralization of the organization) impacts the pace of decisions. And even when situating the individual within a particular context, the environmental factors can be merely noted (Trevino et al. 2000) or as seen as profoundly changing someone's trust (Konovsky and Pugh 1994). By holding a factor constant, researchers can simplify their design and gain statistical power; however, these control variables impact the type of generalization of the study.

In a parallel manner, the decision maker may have a limited influence on the environment or group (Ching et al. 1992; Harrison and Harrell 1993; Staw and Hoang 1995; Tenbrunsel 1998; Greve 1998; Wade-Benzoni et al. 2002). Completely embedded individuals have a bidirectional relationship with external factors (Wood and Bandura 1989) where the decision process impacts others and is impacted by the context (Hambrick et al. 2005; Plowman et al. 2007). For example, Perlow et al. (2002) exemplifies how management teams share and co-create time pressures. They do not treat the top management team as a homogenous entity but rather unpack the interplay between the decision makers and the context. Similarly, emotions can play into a cycle of influence between an individual, the group, and the decision making process (Maitlis and Ozelik 2004).

Implications for Business Ethics

The assumption that decision making is an individual activity is shared by many business ethics researchers today. In his review of business ethics scholarship, Bartlett (2003) notes the current view of decision making in business ethics is undersocialized. By focusing on atomistic individuals or controlling for all social influences, business ethics scholarship eliminates an important source of meaning for individuals. To whom a decision is accountable and with whom

the decision maker interacts shapes the very way they conceptualize the problems and their solutions, and ultimately how individuals enact decisions. The acknowledgment of contextual or social factors as influencing the decision maker does not necessarily lead to a social determinist stance since we can delineate the *degree* of influence or the *particular facet* of the decision process influenced. For example, the type of department—such as core, boundary spanning, etc.—impacts individuals (Weber 1995) while social environment pressures but does not determine the development of alternatives (Dean and Sharfman 1996).

Individuals abstracted out of context are mistakenly viewed as 'free' from the bonds that would make them partial or less than optimal decision makers, and individuals who are over-embedded in social networks mistakenly become vehicles for the interests of others. Rather than decide, once and for all, how embedded individuals really are or should be, business ethics researchers have begun to examine specific cases. The theoretical debates keep us from understanding an individual's own sense of her embeddedness and asking the further question: What are the consequences of seeing oneself as an atomistic actor or as embedded? How does one construe and enact decisions differently when viewed as an atomistic actor or as socially embedded?

Implications for Future Research

This article serves as a framework for conducting and applying future decision making research in business ethics. By making key assumptions about the decision process explicit, we facilitate increasing the internal validity, delineating the research generalizability, and placing research implications within a larger, cohesive understanding of decision making. The four axes emerged from a careful examination of the scholarship. Current work contained implicit assumptions about the decision process in theory and, at times, inadvertent assumptions in research design. Valid simulations of social phenomena necessitate a careful explication of key assumptions in order to retain internal validity, usability, and extendibility (Axelrod 1997). In sum, use of our typology of assumptions increases the applicability of decision research and supports the logical rigor called for in simulating social phenomena such as ethical decision making in organizations.

Making these assumptions explicit changes the way we think about ethical decision making theory and scholarship. First, we can ask more nuanced questions about how various assumptions inter-relate. Second, we can craft better experiments and studies by understanding our own construction of decision making and how it influences our

Table 2 Inter-axes future research

Inter-Axes Future Research

Social Embeddedness	Intra-axis			
Construal	How do individuals construe their social moderators such as ambivalence and equivocality (both a factor of the individual and the environment).	Intra-axis		
Speed	How is speed or the amount of reflection impacted by the context of the individual? Similarly, how does speed impact the individual's ability filter social moderators?	How does speed impact an individual's ability to reflect and reinterpret? How do individuals construe speed in decision making?	Intra-axis	
Reasons	How does the range of reasons and mental models available to an individual, through experience or training, impact how the individual interacts with the environment? Could experienced individuals be better able to moderate social influences through robust models and reasoning?	How and why do models and reasons impact how individuals construe issues? Does how an individual interpret or reinterpret issues impact their reasoning in the decision process?	How and why does speed impact reasoning types (consequentialism, rule-based, fairness, etc) and timing (rationalization v. reasoning)? How is speed influenced by the types of reasoning available to the individual.	Intra-axis
	Social Embeddedness	Construal	Speed	Reasons

research design and subjects. We discuss both the theoretical and research implications in opening up business ethics decision making scholarship to a range of assumptions before outlining the implications for teaching ethics in the classroom and in organizations.

The Questions we Ask: Inter-Axes Questions

Having identified the range of each axes of assumptions, we turn now to highlight how these axes may interact. How do different assumptions about social embeddedness impact how issues are construed and what are the implications? Could particular reasons influence the way issues are construed? We explore similar inter-axes tensions below; and Table 2 shows a set of questions that emerge from the interrelation of assumptions.

Social Embeddedness-Construal

Even within research that allows for the influence of the context on the individual in constructing the decision process, factors of the environment can be objectified. For example, ambiguity and equivocality are not necessarily a characteristic of environment, but rather a relation of a specific individual to a specific environment: individuals construe their social embeddedness and their environment may impact the degree of construal. Therefore, two people interpreting the same market information in the same company could construe the market as high or low in equivocality depending on their experience, schemas, and degree of social embeddedness; similarly, two people interpreting the same information in the same company could construe moral salience as high or low in equivocality depending on their

experience and the social relationships in which they are embedded. In this way, the interplay between an individual's construal of the environment or *how they construe their social embeddedness* may impact the decision process. Does the presumption that the context is known and easily identified by everyone in the organization impact the decision process? Does the environment impact how and if issues are construed as 'ethical' and reasoned as such?

Social Embeddedness-Speed

How is speed impacted by the organization? Sutcliffe and McNamara (2001) examine how organizational rules impact speed of decision processes. While slower decisions are presumed to be better for the organization in their study, future work could examine additional social moderators on the decision speed and how different decision speeds impact ethical decision making. Hambrick et al. (2005) examine organizational demands as influencing the decision process without prioritizing a decision speed. Kern and Chugh (2009) identify speed as a factor in how individuals incorporated framing in their decisions. More work in this area would examine how different social moderators influence decision speed and how decision speed impacts the propensity of individuals to make intelligent, ethical decisions in addition to how they frame their decisions. Clearly, speed matters and, as found by Kern and Chugh (2009), individuals default to making fast decisions unless explicitly told to slow down. Such a finding is important to design future business ethics decision making research studies.

Social Embeddedness-Reasons

The work of Dutton and Ashford (1993) and Sonenshein (2007) illuminates the influence of organizational context on the crafting of reasons in issue selling and sensegiving. What organizational and group factors impact the type of post-hoc rationalizations and dominant mental models used by individuals in crafting issues? Perhaps MBA students are guided to consistently make consequentialist arguments and frame issues as a simple cost-benefit problem because they are rewarded for doing so by their professors. Paltry reasoning, particularly in ethical decision research, has been blamed on the maturity, intelligence, or development of the individual (Kohlberg 1984), yet the social environment and how an individual is embedded in a group or organization may be an important factor in the reasons and models at a student's disposal.

Construal-Speed

What is the connection of construction to fast or slow processing? In developing the sensemaking-intuition

model (SIM), Sonenshein states, "The SIM reserves an important place for deliberate cognitions during the construction phase of the model but primarily emphasizes intuition after issue construction." (Sonenshein 2007, p. 1036). Therefore, he sees construction as primarily a conscious and deliberate process. In contrast, Reynolds (2006) argues that sensemaking is more akin to sub-conscious fast processes.

In more typical situations, however, the process is a reflexive non-conscious analysis with automatic evaluations – a process more representative of sense-making. In such processes, judgment and even action can unfold before the individual is cognizant of the rationale for doing so, and explanations might emerge only after the fact (Reynolds 2006, p. 742).

Future work could further examine the impact of speed on the individual's ability to construe and reinterpret the environment within explicitly moral frames. In addition, how do individuals construe fast and slow decisions? Is one preferred? How does the individual's interpretation of decision speed impacting the decision process? Business ethics has trended toward slow processes with, at most, construal as an input to the decision process which leaves the interplay between construal and speed an open area for business ethics research.

Construal-Reasons

As evidenced above, much work in management has assumed decision makers use consequential reasoning to make decisions. However, how does the construal of the issue impact the reasoning and/or rationalizations given by the individual within business ethics? For example, Maertz and Campion (2004) examine the implications of how individuals construct the decision making process. Similarly, Gundlach et al. (2003) assume the issue of whistle blowing is construed by all individuals in a similar manner and are able to focus on the decision process and reasoning after the issue is crafted. Perhaps more interesting, how does the range of reasons available to the individual impact the manner in which the environment is construed? The frameworks given to and developed by individuals become models for how they will frame and see the world. Given recent work in sensemaking within ethical decision making (Sonenshein 2006; Tenbrunsel and Smith-Crowe 2008), some individuals may have a richer kaleidoscope to make sense of their environment and frame issues ethically. For business ethicists, how can we enrich that lens with a broader set of reasons to increase the moral saliency for the individual as she constructs issues as ethical?

Speed-Reasons

Sutcliffe and McNamara (2001) assume fast decisions are cognitive short cuts or ad hoc decision heuristics and develop guidance for organization to move to slower decision processes. However, since expert heuristics are developed from experience and models that worked in the past, better decisions may have less to do with how quickly the issue is identified or a resolution is offered and more to do with the makeup, development, or maturity of the mental model, decision heuristic, or conceptual frame. For example, an ethics professor who is steeped in the art of justice, virtues, and categorical imperatives may identify the ethical nuances of a situation quickly and be able to explain why the issue is a problem much quicker than his struggling student. The speed of the decision process may be bell shaped with novices making quick, simplistic decisions and experts making quick, comprehensive decisions and many others muddling in the middle. Work within business ethics could further leverage Dane and Pratt's (2007) work to explore how intuitions are developed and develop theory and research to support the development of intuitions or prototypes.

How We Ask the Questions: Implications to Research Design

Rather than rely on paradigm norms to justify why certain assumptions are made and others left out, business ethics scholars should make their assumptions explicit and provide justification for their choices as illustrated in Table 3. We do not claim that every researcher and every paper should use and test all these assumptions; indeed there are good reasons to hold some assumptions constant while investigating others. The breadth of research and theory supports a range of valid assumptions along each axis, and researchers have a choice in their assumptions; the scientific method would have researchers clarify their purpose in

the study and then make an argument for why their choice of assumptions best meets that purpose. It may make sense for those scholars investigating decision making at the firm or industry level to downplay individual differences, but making that assumption clear can help us all to better understand the scope and limitations of the research propositions developed and to generalize the work to the appropriate level of analysis.

In addition, clarity on how the research implicitly or explicitly defines and prioritizes decision making will illuminate if the research design guides participants toward a particular definition. For example, in a deservedly well cited study on moral decision making, psychologist Jon Haidt questioned participants about their decisions on various cases designed to illicit moral dumbfounding (2001). A closer look at the research protocols shows that the moral dumbfounding studies were conducted in conjunction with other studies that foregrounded moral decision making as an individual activity and favored instrumental responses. When experimenters received normative justifications they further questioned the participants, thereby suggesting that the participant's answers were not finished. In addition, because subjects were primed to think about decision making as an individual activity, justifications that relied on social and biological influences were not selected. A conclusion of Haidt's work is that individuals reach a moral judgment intuitively and then justify their instinct post-hoc with socially acceptable logic. Yet, by construing decision making as largely an individual activity, the experimenters limit the influences on the post-hoc justification. Individuals can shape their justifications to save face, obey the experimenter, or further their own projects.

Most work on decision making assumes an objective situation for decision makers. Case-based experiments spell out the circumstances for participants to reduce equivocality. To get a better sense of how construal and interpretation affect the decision making process, we need

Table 3 Guiding questions for future research scholarship

	What is my assumption?	What justifies this assumption?	What is the scope of my claim?
Social embeddedness	What is my assumption about how social embeddedness affects the decision maker in this context?	Why is it appropriate for me to make this assumption about social embeddedness?	Does my assumption about social embeddedness work better in particular contexts?
Construal	Where and when do I allow for construal in decision making?	Why do I allow for (or not allow for) construal? What are the consequences of this choice?	Does my assumption about construal work better in particular contexts?
Speed	Am I assuming that decision making in this context is conscious, subconscious, or both?	Why do I focus on a particular type of cognitive process?	Does my assumption about decision speed work better in particular contexts?
Reasons	How do I categorize and prioritize types of reasoning? Do I favor instrumental, normative, or some hybrid approach?	Why are these priorities of reasons acceptable?	Does my assumption about the relevant reasons work better in particular contexts?

Table 4 Revisiting current points of failure in ethical decision making

Revisiting Current Points of Failure in Ethical Decision Making.

Rest (1986)	From Trevino (1992, p.445)	Points of Failure	New Approach
Moral issue	(1) interpret the situation in terms of the actions possible, and the effects of these actions on the self and others	Narcissism, myopic. Self centered individual sees small issues.	<p>Focus on the role of intuitions and emotions with the construal of issues.</p> <p>Develop models, frameworks, and tactics such as reflection which shape issues.</p> <p>Stress the importance of social anchoring and sensegiving roles for individuals in teams</p>
Ethical Deliberation	(2)judge which course of action is morally right	Maturity. Immaturity of the individual causes them to make improper judgments	
Ethical Intent	(3) give priority to what is morally right over other considerations	Bad Apples. Certain individuals chose the unethical option due to their immoral character.	
Moral Behavior	(4) demonstrate the strength and skills to follow through on the intention to behave morally.	Courage. Individual was not brave enough to follow through on correct option.	

to explicitly allow for equivocality. Instead of assuming that all participants interpret the case in the same way, as researchers we could collect a series of statements about a situation and allow the participants to tell us what the relevant issues are.

For example, if we label our work as ethical decision making, we are sending a subtle signal to participants about our expectations for their behavior. Instead of assuming researchers are getting at moral decision making as distinct from managerial and strategic decision making, we believe those attributions should emerge from the way the participants make sense of the exercise. We leave open the question, how does someone decide what is an entrepreneurial, moral, or strategic decision? Or all three? The way we characterize our own work can influence how an individual interprets and acts in experimental interactions.

Teaching Business Ethics

Current scholarship on teaching business ethics in the classroom and in organizations correctly addresses points of weakness or vulnerability in Rest’s model. Individuals are taught to perceive the correct problem, to reason better (Kohlberg 1984), to choose the correct alternative, and to have the courage to act upon their decision. Consider

Trevino’s building on Rest’s model in Table 4 which is predicated on an ethical or moral issue being easily identifiable and objectively knowable, and teaching ethics serves to rectify points of vulnerability in the rational choice model (1992, p. 445). Given the movement away from the rational choice model as particularly descriptive or desirable, we see three alternative points of vulnerability which serve to highlight areas for future research in teaching business ethics in the classroom or the organization.

First, we have illustrated variability in the manner in which situations are framed and in how good, smart individuals make sense of their environment. The heavy lifting may be in the framing of an issue, where a problem identified is a problem half solved (Dewey 1938/1998). In other words, our focus in business ethics has been at the tail end of the deliberation process, whereas attention must be paid to the initial problem-sensing that occurs by individuals and in groups. Acknowledging the range in which individuals construct issues is an important first step in understanding how practitioners work through difficult situations. Rather than being narcissistic and myopic, individuals who make ‘bad’ decisions may not have constructed an issue as particularly ‘ethical’ given their model for business. For example, work in social justice has

identified the role of self-deception in how individuals construct issues (Tenbrunsel and Messick 1999). Such an argument supports focusing on construction rather than reasoning through the use of ill-defined case studies. Our goal as instructors is to have individuals construct nuanced issues with moral salience in environments with high equivocality—an environment quite unlike a classroom or with a case labeled ‘business ethics.’ Explicitly acknowledging the construction of issues and the role of intuitions and emotions in such framing is an important first step.

Second, models and theories in business schools become instrumental in constructing issues in fast-paced environments. Going back to the example of MBA students, the models these students are given by professors frame their interpretations of any situation. Therefore, thin models devoid of ethical nuances support crafting issues which are then devoid of ethical nuances. Such reasoning suggests Freeman’s Separation Fallacy (Freeman 1994; Freeman et al. 2007) to be more dangerous than first intoned. Freeman laments the pervasive sentiment in scholarship—and we would add our models and frameworks in business school—that business decisions are separate and distinct from ethical decisions. This Separation Fallacy creates work for philosophers and social scientists to bring the two realms back together (Freeman 1994). Taken further, the creation of models and mental prototypes under the umbrella of ‘strategy,’ ‘economics,’ or ‘business,’ which eschew an ethical narrative, are used to frame students’ environmental equivocality. Rather than just teaching models, we develop frames for future use. If the models and frames are devoid of ethical nuances, then students will retain a simplistic lens through which to view their world and make sense of the environment.

Finally, much of the sensemaking literature views the individuals’ mutually constitutive relationship with the situation as more than just descriptively sound (Weick 1995; Weick et al. 2005). Individuals use *social anchoring* to work through situations and reinterpret issues (Sonshein 2007). In addition, individuals are always helping others make sense of their situation through sensegiving as well as through informal values (Trevino 1986). The role of managers in supporting and relying upon peers in working through difficult situations should be highlighted rather than the isolated deliberations of the individual.

Conclusion

Scholars who craft decision making models tend to depict a linear process, yet we have long noted decision making as a continual ‘stream’ with varying transitive flights and substantive resting places (James 1890). We design breaks, steps, and order to illustrate the complex, contextual, and uncertain process; however, it is difficult:

introspectively, to see the transitive parts for what they really are. If they are but flights to a conclusion, stopping them to look at them before conclusion is reached is really annihilating them. Whilst if we wait till the conclusion be reached, it so exceeds them in vigor and stability that it quite eclipses them and swallows them up in its glare. (James 1890, pp. 243–244)

Decision making is a hard process to capture in static models and the work to explore this complicated phenomenon has moved the management scholarship forward in many ways. Making explicit the assumptions about the role of the individual and the environment in the decision process as well as the range of speed and reasons available to the individual will only serve to make the decision scholarship within business ethics more applicable and relevant.

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