

September 2011

# A Magnetic Pull on the Internal Compass: The Moderating Effect of Response to Culture on the Relationship Between Moral Identity and Ethical Sensitivity

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## Recommended Citation

Daniels, Denise; Diddams, Margaret; and Van Duzer, Jeff (2011) "A Magnetic Pull on the Internal Compass: The Moderating Effect of Response to Culture on the Relationship Between Moral Identity and Ethical Sensitivity," *Journal of Religion and Business Ethics*: Vol. 2, Article 3.

Available at: <https://via.library.depaul.edu/jrbe/vol2/iss2/3>

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## INTRODUCTION

Recent stories in the media surrounding unethical practices in business have highlighted the gap between decisions that were made and decisions that many people believe should have been made. Explanations for why this gap exists, however, remain elusive. In recent decades there has been much research aimed at teasing out why some people behave in ways consistent with cultural ethical norms and others do not. Research into the antecedents of ethical decision making range from studies of individual differences such as moral disengagement<sup>1</sup> an internal moral compass<sup>2</sup> and religiosity,<sup>3</sup> to studies focusing on strong situational factors that seem to make individual choice all but irrelevant.<sup>4</sup>

## MORAL IDENTITY AND ETHICAL SENSITIVITY

Given the plethora of malfeasance associated with business dealings in the first decade of this century, there is yearning to find people who can see the potential for wrongdoing early on and rise above organizational and market pressures to engage in unethical behavior. For example, it appears that some people are more likely to act ethically based on internalized belief systems which cannot be swayed by nefarious situational forces.<sup>5</sup> One such belief system is reflected in one's sense of self or what is known as *moral identity*. Based on the principles of social-cognitive theory,<sup>6</sup> moral identity is an individual difference in which being

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<sup>1</sup> James R. Detert, Linda Klebe Trevino and Vicki L. Sweitzer, "Moral Disengagement in Ethical Decision Making: A Study of Antecedents and Outcomes," *Journal of Applied Psychology*, 93(2) (2008): 374-391.

<sup>2</sup> Bruce J. Avolio and William L. Gardner, "Authentic Leadership Development: Getting to the Root of Positive Forms of Leadership," *The Leadership Quarterly*, 16, (2005): 315-338.

<sup>3</sup> Vitell, S. (2009). The role of religiosity in business and consumer ethics: A review of the literature. *Journal of Business Ethics: Supplement*, 90, 155-167.

<sup>4</sup> Zimbardo, P. (2006). *The Lucifer Effect*. Random House.

<sup>5</sup> Karl Aquino and Dan Freeman, "Moral identity in business situations: A social-cognitive framework for understanding moral functioning," in *Personality, Identity, and Character: Explorations in Moral Psychology*, ed. Darcia Narvaez & Daniel K. Lapsley (New York: Cambridge University Press, 2009), 375-395; Anne Colby and William Damon *Some Do Care: Contemporary Lives of Moral Commitment*. (New York: The Free Press, 1992); Fred O. Walumbwa, Bruce J. Avolio, William L. Gardner, Tara S. Wernsing and Suzanne J. Peterson, "Authentic leadership: Development and validation of a theory-based measure," *Journal of Management*, 34, (2008): 89-126.

<sup>6</sup> Albert Bandura (2001). "Social Cognitive Theory: An Agentic Perspective," *Annual Review of Psychology* 52, (2001): 1-26.

moral is a central or defining characteristic of an individual<sup>7</sup> and is organized around a set of chronically accessible moral traits such as perceiving one's self as honest, kind, caring and / or compassionate.<sup>8</sup> This sense of moral self serves as an idea or standard which people attempt to live up to. In other words, people who have a salient sense of moral identity are motivated to engage in moral action to maintain a sense of consistency between this sense of moral self and their actions.<sup>9</sup> The motivation that occurs in striving for this self-consistency becomes important when facing the quandaries of ethical issues which are often ambiguous and lacking situational cues that trigger appropriate socially sanctioned behavior.<sup>10</sup> People with stronger moral identities are not only more likely to be immune to external pressures to commit unethical acts,<sup>11</sup> they also show greater likelihood to engage in a variety of pro-social behaviors like volunteering or donating.<sup>12</sup>

While this prior research has shown that moral identity can lead to less unethical behavior and more pro-social actions, moral identity should only be likely to influence choices in behavior to the extent that people are sensitive that a particular act has ethical implications. We are interested in examining the extent to which moral identity does indeed influence ethical sensitivity. Ethical situations differ in their intensity so that the genesis of an ethical decision often starts with an ambiguous situation where the ethics are not always so clear cut.<sup>13</sup> For example, if a person is not aware that they are facing a moral dilemma, even if their sense of moral self is a chronically accessible schema, they may be less likely to think of themselves in terms of their moral self and have less motivation to act in a way that would be authentic to this sense of self. Subsequently, part of

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<sup>7</sup> Augusto Blasi, "Moral Identity: Its Role in Moral Functioning," in W. Kurtines & J. Gewirtz (Eds.), *Morality, Moral Behavior and Moral Development* (New York: Wiley, 1984), 128-139.

<sup>8</sup> Karl Aquino and Americus Reed II, "The Self-Importance of Moral Identity," *Journal of Personality and Social Psychology*, 83(6) (2002): 1423-1440.

<sup>9</sup> Blasi, "Moral Identity"

<sup>10</sup> David Dunning, *Self-Insight: Roadblocks and Detours in the Path to Knowing Thyself* (New York: Psychology Press, 2005).

<sup>11</sup> Colby & Damon, *Some Do Care*; Bella L. Galperin, Rebecca J. Bennett and Karl Aquino, "Status Differentiation and the Protean Self: A Social-Cognitive Model of Unethical Behavior in Organizations," *Journal of Business Ethics*, 98(3) (2011): 407-424; Ruodan Shao, Karl Aquino and Dan Freeman, "Beyond Moral Reasoning: A Review of Moral Identity Research and Its Implications for Business Ethics," *Business Ethics Quarterly*, 18(4) (2008) 513 – 540; Linda Klebe Trevino, Gary Weaver and Scott J. Reynolds, "Behavioral Ethics in Organizations: A Review," *Journal of Management* 32, (2006): 951–990.

<sup>12</sup> Aquino and Reed, "The Self-Importance of Moral Identity"

<sup>13</sup> Dunning, *Self-Insight*; Thomas M. Jones, "Ethical decision making by individuals in organizations: an issue-contingent model," *Academy of Management Review*, 16(2) (1991): 366-395.

the task of acting ethically is to be able to identify the concerns when they are not clearly visible.<sup>14</sup> Prior research on ethical dilemmas such as Kohlberg's<sup>15</sup> stages of moral development tend to spell out the ethical dilemma and then ask participants for their response. Yet Rest has written that sensitivity should be recognized as the first step in ethical behavior.<sup>16</sup> Clarkburn has similarly argued for the primacy of ethical sensitivity writing that "without recognizing the ethical aspects of a situation, it is impossible to solve any moral / ethical problem, for without the initial recognition no problem exists."<sup>17</sup> Rest has labeled this skill "moral sensitivity,"<sup>18</sup> whereas Butterfield, Trevino and Weaver referred to these cognitions as "moral awareness."<sup>19</sup> While these three sets of researchers have labeled this phenomena differently, each have argued that one must first be cognizant of ethical issues before framing a behavioral response as ethical.

Despite the obvious importance of examining ethical sensitivity as a dependent variable, we are unaware of any research that has examined the effect of moral identity on ethical sensitivity. This is perhaps surprising given the relatively large body of research exploring the impact of moral identity on decision making and behavior. At first glance it appears intuitive that people with a strong moral identity who bring a set of internal standards to the interpretation of an ethical situation would be more sensitive to ethical issues than those without such a strong identity. This should be true especially when there is no cost to merely being aware that an issue exists.

Moral identity alone, however, is not likely to tell the whole story. Other studies have shown that the accessibility of the schema associated with moral identity differs across people, and situational factors can increase or suppress the cognitive accessibility of a person's moral identity.<sup>20</sup> In other words, one's

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<sup>14</sup> Jennifer Jordan, "A Social Cognitive Framework for Examining Moral Awareness in Managers and Academics," *Journal of Business Ethics*, 84 (2008): 237 – 258.

<sup>15</sup> Lawrence Kohlberg, *The Philosophy of Moral Development: Moral Stages and the Idea of Justice*. (San Francisco: Harper & Row, 1981).

<sup>16</sup> James R. Rest, "Background: Theory and Research" in *Moral Development: Advances in Research and Theory*, ed. James R. Rest and Darcia Narvaez (New York: Praeger, 1986), 1-26.

<sup>17</sup> Henriikka Clarkeburn, "A Test for Ethical Sensitivity in Science," *Journal of Moral Education*, 31(4), (2002): 439.

<sup>18</sup> Rest, "Background: Theory and Research"

<sup>19</sup> Kenneth D. Butterfield, Linda K. Trevino and Gary Weaver, "Moral Awareness in Business Organizations: Influences of Issue-Related and Social Context Factors," *Human Relations* 53(7) (2000): 981-1018.

<sup>20</sup> Karl Aquino, Dan Freeman, Americus Reed, Vivian Lim and Will Felps, "Testing a Social-Cognitive Model of Moral Behavior: The Interactive Influence of Situations and Moral Identity Centrality," *Journal of Personality and Social Psychology*, 97(1) (2009): 123-141; Trevino, Weaver and Reynolds, "Behavioral Ethics in Organizations"

internal moral compass is not wholly divorced from the context. For example, Galperin, Bennett and Aquino<sup>21</sup> found that the isolation of top management teams activates their high status group identity which in turn deactivates their schema associated with their moral identity which in turn lessens their motivation to self-regulate ethical decision making. We hypothesize that a person's belief about the world and their role in it – their worldview – may be such a contextual factor moderating the proposed relationship between moral identity and sensitivity to ethical issues.

The term “worldview” is from the German word *weltanschauung* and implies that one's beliefs and explanations regarding the purpose of the world impact the ways that one interacts with the world.<sup>22</sup> Specifically in this case, we are interested in exploring whether a person's basic expectations as to the alignment between his or her own concepts of right and wrong and the cultural and market forces that he or she must contend with will influence the relationship between moral identity and ethical sensitivity, as well as subsequent decision-making. For example, some managers' moral identities may not be cued by the ambiguities of a moral quandary when they do not experience any dissonance between how they believe the world should work and how they experience it in the situation (e.g. there may not be much attention paid to situations that are perceived to be “business as usual”). These managers might have a high moral identity, but their worldview leads them to have a relatively low ethical sensitivity. Other managers might approach the world *expecting* that in most cases their internal moral compass will be challenged by external mores, which would likely increase their likelihood of being sensitive to ethical issues. In other words, while one's moral identity may influence ethical sensitivity, this relationship is likely to be moderated by one's worldview. We believe that worldview is an important contextual factor to investigate because it provides both a cognitive framework for making sense of one's world and self-justification for one's action.

#### NIEBUHR'S TYPES OF WORLDVIEWS

While, a number of efforts have been made to categorize different worldview options or “types”<sup>23</sup> one of the best known approaches can be found in the work of theologian Richard Niebuhr. In his seminal book, *Christ and Culture*,<sup>24</sup>

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<sup>21</sup> Galperin, Bennett and Aquino, “Status Differentiation and the Protean Self”

<sup>22</sup> David Naugle, *Worldview: The History of a Concept*. (Grand Rapids, MI/Cambridge, UK: William B. Eerdmans Publishing Company, 2002).

<sup>23</sup> James W. Sire, *The Universe Next Door: A Basic World View Catalog* (Downers Grove, IL: InterVarsity Press, 2009).

<sup>24</sup> H. Richard Niebuhr, *Christ and Culture* (San Francisco, CA: Harper, 1951).

Niebuhr examined five different approaches that Christians had historically taken when engaging with their surrounding culture. Each of his five approaches focused on the manner by which an individual's identity as a disciple of Christ interacts with his or her perception of the external forces of the larger culture. Niebuhr's types ranged from "Christ against Culture" – in which the mandates of Christianity are perceived in stark contrast to the values of the broader culture – to "Christ of Culture" – in which an individual does not see any distinction between a Christian view of what is good and a cultural view of what is good. In a nutshell, *Christ and Culture* provided an analytical tool – what Niebuhr called a "mental construct" – useful to organize and categorize different responses to the "enduring problem" of the relationship between Christianity and civilization.<sup>25</sup>

Niebuhr's analytical method involves the development of five types that represent different points on a spectrum of Christ-Culture engagement. He posited this typology in an effort to clarify what historically had been wide array of Christian responses to cultural values. He attempted to avoid the perception that the different responses could be explained developmentally, i.e. as if one response is "more Christian" or "more mature" than another. He was careful to note the limitations of his approach. He readily acknowledged that alternative typologies were possible, that no individual ever truly conforms to a single type, and that the different types are "value neutral." He suggested that no one approach is to be preferred over another. As Dennis Hollinger<sup>26</sup> has noted, these Christ-Culture

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<sup>25</sup> (Niebuhr, *Christ and Culture*, pp. xxxviii & 1; We are not unmindful of the criticisms of Niebuhrian typology that have been advanced by Christian theologians, ethicists and historians. See e.g. Timothy Phillips & Dennis Okholm, *A Family of Faith; An Introduction to Evangelical Christianity* (Grand Rapids: Baker Academic, 2001), pp. 262-272; Glenn Stassen, D.M. Yeager & John Howard Yoder, *Authentic Transformation: A New Vision of Christ and Culture* (Nashville: Abingdon Press, 1996); Andy Crouch, *Culture Making; Recovering our Creative Calling* (Downers Grove, Ill.: InterVarsity Press, 2008), pp. 178-183; Darrell L. Guder, ed., *Missional Church; A Vision for the Sending of the Church in North America* (Grand Rapids: Wm. B. Eerdmans Pub. Co., 1998). Some have argued that Niebuhr's apparent neutrality is really just a disguise for promoting his preferred type, "Christ Transforming Culture." Others point out that Niebuhr had a very monolithic understanding of "culture" that cannot be applied with integrity in our postmodern, multicultural global world. Still others point out that his use of "Christ" tended towards the ethics of a disembodied moral mediator rather than that of a historical person who made ethical choices in real time and places. Moreover, some have argued that he inappropriately applied his typologies when citing historical examples. As we are using Niebuhr's typologies however, these critiques can safely be ignored. They may be true and important in a different context but we are only using Niebuhr's types as abstract categories to help organize the different ways that different individuals may expect that their internal moral beliefs are likely to encounter and interact with different cultures. As such, we believe they can be validly used to describe different worldviews.

<sup>26</sup> Dennis P. Hollinger, *Choosing the Good; Christian Ethics in a Complex World* (Baker Academic, 2002).

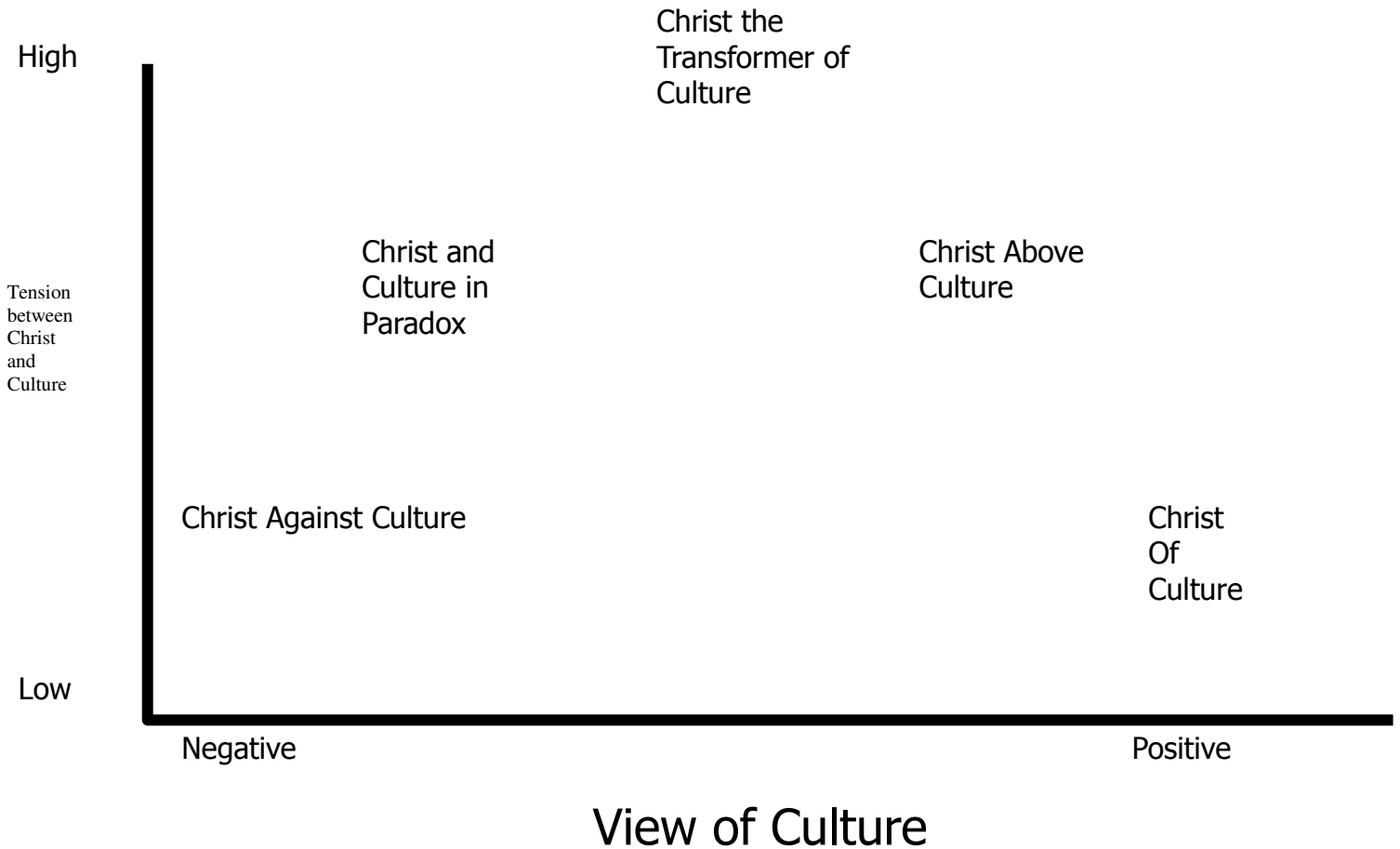
types were intended to be useful categories for explaining a Christian's basic stance toward his or her culture – or put differently, as we have used the phrase, a Christian's *basic expectations* when encountering their culture and related external forces.

It is in this spirit that we have taken hold of Niebuhr's typology. We suggest that a non-religious parallel to his structure may help identify certain typological predispositions in managers that will affect how they approach decisions with ethical implications. By doing so we reiterate and adopt Niebuhr's caveats. These types are idealized points on a spectrum, not real pictures of individuals. The stronger influence of one set of basic expectations - one worldview -over another does not negate the influence of others. Likewise, the worldviews don't represent better or worse approaches, just different schemas for one's understanding of how the world works.

One way to conceive of Niebuhr's five types is to view them as points on a bell curve where the "y" axis is the measure of anticipated tension between an individual's Christian identity and external situational forces (what Niebuhr referred to as "culture") and the "x" axis is the extent to which the demands of the culture are viewed in a positive light (see Figure 1). At the extremities, the curve rests on the "x" axis – points of no tension. Here we find on one end (at the origin) "Christ Against Culture" and on the other end, "Christ of Culture." Both represent no-tension worldviews; one avoids tension through a radical disengagement, the other through a total enmeshment. But neither type requires the Christian to make any effort to reconcile seemingly discordant demands.

Starting with Christ Against Culture and moving along the curve in the direction of Christ of Culture, we next encounter, in this order, the three other types that Niebuhr describes as median types: "Christ and Culture in Paradox," "Christ the Transformer of Culture" and "Christ Above Culture." Each of these recognizes the existence of tensions between obeying Christ and living in the culture and each seeks to engage the tensions in a different way.

Figure 1: Niebuhr’s Christ and Culture Paradigm - Five “types” on a spectrum.



*Christ Against Culture*

Christians of this type cannot reconcile their understanding of God’s calling and the demands of the culture in which they live. In effect, they come to each encounter with an expectation that their perspective as Christians will always be at odds with the direction of external cultural forces. In Niebuhr’s words, it is an approach that “uncompromisingly affirms the sole authority of Christ over the Christian and resolutely rejects culture’s claims to loyalty.”<sup>27</sup> At an extreme, this type might be exemplified by an Amish lifestyle, where a whole community

<sup>27</sup> Niebuhr, *Christ and Culture*, 45.



withdraws from the broader culture in order to live in a way that is consistent with the community members' understanding of God's calling.

### *Christ of Culture*

On the other end of the spectrum is the opposite "no-tension" type. Here the demands of Christ are congruent with the demands of culture. Christ and culture harmonize. One can readily be a citizen of this world and of the kingdom of God without any conflict. According to this perspective, doing the right thing either as a citizen of the world or of the kingdom of God will result in success in both realms. Here the Christian approaches each encounter with a worldview that anticipates that there will be no conflict.

### *Christ Above Culture*

Often linked to Thomas Aquinas, this type has been referred to as "synchronistic." It does not see real tension between culture and Christ. It is just that Christ can take the best that culture can offer and elevate it to the next level. "This realm does not negate the temporal realms nor stand against them. It merely goes beyond the social-cultural realm to new heights."<sup>28</sup> This type allows for Christians to make common cause with non-Christians without giving up their distinctiveness. They can embrace common ethical conclusions drawn from common ethical starting points, (e.g. the inherent dignity of the individual) but still claim to have something unique - something more - to offer. A Christian of this type approaches the world with no expectations of significant conflict but with an eye for the something extra, the unique frosting of his or her faith on the common cake of Christian and cultural ethical expectations.

### *Christ and Culture in Paradox*

This median type is closest to the "Christ Against Culture" position. In essence, it sees the demand of Christ and culture as being at odds. However, in contrast to the stronger "Against Culture" approach, does not see withdrawing from either culture or Christianity as a viable or an ethical option. Rather, it accepts that Christians must live in the tension. These are the individuals who seek "to answer the Christ and culture question with a 'both-and'."<sup>29</sup> Niebuhr described this as an "oscillatory type," swinging back and forth.<sup>30</sup> There is a world of trade-offs, ambiguities, compromises. No clear-cut rules prevail. Ethics are practiced humbly and lived moment by moment in the context of personal judgment with a deep awareness of sin. Those of this type recognize that they are

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<sup>28</sup> Hollinger, *Choosing the Good*, 200.

<sup>29</sup> Niebuhr, *Christ and Culture*, 149.

<sup>30</sup> *Ibid.*, li.

stuck between two systems and must endeavor to live as faithfully as possible in both while fully recognizing that they will inevitably come up short.

### *Christ the Transformer of Culture*

Those found in this type share many of the characteristics of the Paradox type but are less pessimistic about the chance to work for a positive transformation of the culture. This is, in essence, an activist orientation. It begins by recognizing the very real tensions between Christ and culture but far from exiting or just muddling through, these types “roll up their sleeves” to remake the culture in God’s image. One who carries this worldview into the world anticipates conflict, anticipates work but also expects to be presented with opportunities to change the world for the better.

### “RESPONSE TO CULTURE”

In this paper we extend Niebuhr’s ideas to a broader, non-sectarian audience. Rather than a speaking of the intersection of “Christ” and “Culture,” we use these typologies by analogy to speak of an individual’s understanding of self vis-à-vis the external forces that he or she encounters in culture, and particularly with the external forces of a market economy. Specifically we posit that analogues of Niebuhr’s five types can be used to describe different sets of basic expectations – that is, worldviews – that individuals bring to their encounters with the market.

For this reason, rather than “Christ and Culture,” our approach might better be termed, “Response to Culture.” As with the Niebuhrian approach, we explore five different ways one might anticipate experiencing an encounter between one’s personal standards and external market forces. But contrary to the Niebuhrian approach, we do not suppose that one’s internal standards have necessarily been formed by reference to the Christian narrative. Moral standards can be formed from a variety of different perceived moral authorities – or indeed from the belief that there is no such moral authority. Still, however constructed, all individuals carry some belief about their own moral selves and how this self must interact with external cultural forces.

Thus, it would be possible to have a variety of religious, spiritual and non-religious people who align themselves with an “Antipodal Worldview” approach, expecting that in each encounter their own moral standards will likely conflict with the prevailing cultural norm. Similarly, people from diverse beliefs might find a common approach in the “Aligned Worldview” perspective. Regardless of how they have arrived at their internal moral identities, they approach their daily cultural encounters with a basic predisposition that assumes congruence between their internal beliefs and external cultural values and forces. Below is a brief description of these Response to Culture worldviews.

### *Antipodal Worldview*

People with this worldview would carry a basic expectation that the culture at large will have a markedly different (and contrary) moral anchor than they themselves have. They expect that it will be impossible to retain their moral standards and also succeed in many culturally sanctioned activities. As a result, those with this perspective will be more likely to withdraw from cultural encounters wherever possible rather than to sully themselves by continued engagement.

In the context of business, this viewpoint is often encountered among those that find market economies and business practices as intrinsically ethically deficient – they believe that “business ethics is an oxymoron” and that “business is nothing more than culturally sanctioned greed.” This perspective denies “the legitimacy of anything resembling the prevailing form of business,”<sup>31</sup> and therefore concludes that no effort should be made to live faithfully within the system. In a business context, those with an antipodal perspective might anticipate that the only way to ethically engage with business is to exit.

### *Aligned Worldview*

Those with this worldview expect to find no contradictions between the expectations of the larger culture and their own beliefs as to what is moral and ethical. This perspective anticipates that external cultural forces will be consistent with their own expectations for positive behavior. In business ethics this finds expression in the oft-repeated phrase, “good ethics is good business.”<sup>32</sup> In effect, when one behaves in accordance with one’s internal moral compass, one is simultaneously aligning him or herself with the essential aims and mechanisms of business. There is – at least in the long term – no need to choose between doing what is right and doing what is profitable. They are one and the same.

### *Perfecting Worldview*

Those holding this viewpoint would not be looking for anything inherently unethical in the practices of the prevailing culture and would expect to find themselves able to work effectively in the larger cultural context. However, a person with this worldview might also believe that higher standards for moral behavior exist than those that might be reflected in the prevailing culture. While

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<sup>31</sup> Louke Van Wensveen Siker, “Christ and Business: A Typology for Christian Business Ethics,” *Journal of Business Ethics*, 8 (1989): 883-888.

<sup>32</sup> *Ibid.*

there might be nothing inherently wrong with how things currently work, that doesn't mean that things couldn't become even better.<sup>33</sup>

In a business context, those who approach their world through a perfecting worldview will likely focus on building commonalities with those around them. When change is required they anticipate finding many allies including those who do not share their underlying internal belief structures. They believe that they will be able to make common cause with others drawing on general norms with apparent universal moral authority, such as human dignity or justice. Where possible, however, they may look for opportunities to call forth something even more and better. Those with this perspective might work toward the establishment of authoritative, external guidelines, which if implemented could help business live out its full potential.<sup>34</sup>

#### *Paradox Worldview*

This perspective is marked by tension and ambiguity. Those holding a paradox worldview would expect to be required to function in an in-between world. They anticipate needing to abide by internal moral guidelines while at the same time needing to actively participate in a culture that is at odds with their belief structures. This worldview does not anticipate many opportunities to reconcile external forces with internal beliefs but approaches cultural encounters with the understanding that escape is not an option. This worldview recognizes the need for compromise and a “lesser of evils” approach to decision making. The Paradox perspective is exemplified by Dietrich Bonhoeffer, who wrote that in extreme situations, one may have to opt for “the destruction of human livelihoods in the interest of the necessities of business.”<sup>35</sup> Such a worldview anticipates that life will be filled with inevitable contradictions.

#### *Transforming Worldview*

Like the Paradox worldview, those with a Transforming worldview anticipate tension between their own moral standards and those of the larger cultural context. However, rather than the “grin-and-bear-it” pessimism of the Paradox worldview, the Transforming approaches his or her encounters optimistically. Yes there will be frequent tensions but these tensions are not permanent or overwhelming. Rather they are opportunities to work for positive change.

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<sup>33</sup> Jim Wallis, *God's Politics: Why the Right Gets It Wrong and the Left Doesn't Get It* (San Francisco: Harper, 2005).

<sup>34</sup> Siker, “Christ and Business”

<sup>35</sup> Dietrich Bonhoeffer, *Ethics*, (New York: Macmillan, 1955): 239.

An ethical approach to business from a Transforming perspective would recognize the problems inherent in the way business is practiced in the world today but would combine that recognition with a hope for and efforts toward true transformation of business practices. According to Syker, those with a Transforming perspective are most likely to work with business rather than against it, taking a holistic approach that considers material and spiritual aspects of the individual.<sup>36</sup>

## SUMMARY

Based on the preceding discussion, we hypothesize that *moral identity will interact with "Response to Culture" to determine ethical sensitivity and behavioral choices*. Specifically, we believe that one's moral identity will influence both the type of issues one considers when making a decision with ethical implications (i.e., ethical sensitivity), as well as the decision itself (behavioral choice). Further, the degree of this impact will be determined by one's response to culture perspective. Niebuhr's work suggests that different worldviews will lead to different interpretations of one's surroundings. To this end, we are interested in not only identifying the decisions people make but how people first identify and define the relevant issues in these decisions.<sup>37</sup>

## METHOD

### *Participants*

One hundred and fifty five working adults completed an anonymous on-line survey. Participants were recruited from Craigslist in Los Angeles, Chicago, and New York; and current and recent graduates of MBA and MA programs from a Pacific Northwest University. The average age of participants was 38. Slightly more than half of the participants were female (53%). They were predominantly white (81%) and mostly located in the Pacific Northwest (45%), even so all regions of the US and parts of Canada were represented in the sample.

## MEASURES

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<sup>36</sup> Syker, "Christ and Business," 886.

<sup>37</sup> Paul Sparks and Richard Shepherd, "The Role of Moral Judgments within Expectancy-Value-Based Attitude-Behavior Models," *Ethics and Behavior*, 12(4) (2002): 299-321; James A. Waters, Frederick Bird and Peter D. Chant, "Everyday Moral Issues Experienced by Managers," *Journal of Business Ethics*, 5(5), (1986): 373-384.

### *Moral Identity*

Using the measure developed by Aquino and Reed,<sup>38</sup> participants were presented a list of nine attributes associated with high morality (e.g. Caring, Compassionate, Fair, Friendly, Generous, Hardworking, Helpful, Honest, and Kind) and then completed five Likert-type questions regarding the extent to which they identified with each of the attributes. Aquino and Reed reported a coefficient alpha of .71. The coefficient alpha for our sample was .77.

### *Response to Culture*

The *response to culture* survey instrument was created for this study. The authors wrote seven items for each of the five worldviews associated with Neihbur's Christ and Culture paradigms, but framed these in secular terms so that they reflected one's view of self compared to culture. Three trained raters who were unassociated with the study and unaware of its goals were asked to sort items into like categories. Those which all raters categorized into a given subscale were retained for the original test of the coherence of the sub-scales. The authors then used exploratory rather than confirmatory factor analysis to examine the factor structure of the items as there is some debate about the number of categories in the Niebuhrian paradigm<sup>39</sup> so that specifying the factor structure a priori would be inappropriate.<sup>40</sup> Ten factors with eigenvalues greater than one were generated. Examination of the scree plot showed three distinct factors. The first factor contained five items that were written for the *Transforming Worldview* ("Transform"). The coefficient alpha for this scale was .81. The second scale aligned with five items associated with *Aligned* and *Perfecting Worldviews* as well as one item from the *Antipodal Worldview*, which loaded negatively on the factor (this item was retained and reverse scored). We labeled this scale *Aligned/Perfecting Worldview* ("Align"). The coefficient alpha for this scale was .78. The third scale, was composed of five items associated with *Antipodal* and *Paradox Worldview* and showed a coefficient alpha of .66 ("Paradox"). The final items used in the three subscales and their factor loadings are shown in Appendix B.

### *Ethical Sensitivity*

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<sup>38</sup> Aquino and Reed, "The Self Importance of Moral Identity"

<sup>39</sup> D. A. Carlson, *Christ and Culture Revisited* (Grand Rapids MI: Eerdmans, 2008).

<sup>40</sup> Bruce Thompson, *Exploratory and Confirmatory Factor Analysis* (Washington DC: American Psychological Association, 2004).

Following previous measures of ethical sensitivity,<sup>41</sup> participants were presented with two business scenarios, each of which contained an ethical dilemma. In the first scenario, participants were presented with the opportunity to take an internal position in a South American gold mining company that appears to exploit its workers. In the second scenario, participants took the role of a loan officer who is being asked to approve a car loan for an elderly man who wants to personally finance a car purchase for a friend he has met on the internet.<sup>42</sup>

After reading each scenario, participants were asked to list up to five issues or questions that they believed they should consider before making their decision. Because ethics not only includes judgments of what is right and wrong but moral concern toward the target of the issue,<sup>43</sup> when we examined the participants' statements for ethical sensitivity, we were interested both in those statements that reflected ethical concerns relevant to the decision, as well as statements which showed concern for and a desire to change the situation for the characters within the scenario. Our emphasis on more than just ethical decision making *per se* is consistent with Aristotle's virtue ethics which viewed helping the target person as a charitable or benevolent act.<sup>44</sup>

Participants responded with 619 statements ( $\bar{X} = 4$ ) for the gold mine scenario and 456 statements ( $\bar{X} = 3$ ) for the bank loan scenario. The issues / questions provided by participants were content analyzed and then coded for the extent to which they reflected 1) ethical concerns, 2) business concerns, 3) concerns for the employees / client or 4) motivation to effect change. Table 1 lists examples of responses associated with the codes for each scenario.

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<sup>41</sup> Clarkeburn, "A Test for Ethical Sensitivity in Science"

<sup>42</sup> Scott B. Rae and Kenman L. Wong, *Transformational Service: A Christian Vision for Business*. (Downers Grove, IL: Intervarsity Press, 2011); See Appendix C for the complete text of the scenarios.

<sup>43</sup> Sparks and Shepherd, "The Role of Moral Judgments Within Expectancy-Value-Based Attitude-Behavior Models"; Waters, Bird and Chant, "Everyday Moral Issues Experienced by Managers"

<sup>44</sup> Rosalind Hursthouse, "Virtue Ethics," in *Stanford Encyclopedia of Philosophy*. Downloaded January 05, 2009 from <http://plato.stanford.edu/entries/ethics-virtue/>

Table 1  
Ethical Sensitivity Coding  
**Gold Mine Position**

	<i>Example 1</i>	<i>Example 2</i>	<i>Example 3</i>
Ethical Concerns	The mining practices raise several ethical issues.	While the employment of the locals is legal, is there a profit in raising the ethical standard and using it as a differentiator vs. our competitors?	If we don't employ these children, what is the impact to their family's incomes? Is there an ethical consideration here?
Business Concerns	What is the political environment in regards to foreign investment?	How realistic are my production goals?	What technologies are we currently using to perform this work and are there products that we haven't looked at?
Concerns for Employees	How many injuries per year? How serious are the injuries?	Ensuring fair and safe working conditions for all employees.	Are the employees healthy enough to work?
Motivation to affect Change	Have I the power to affect change for the workers?	Would I be able to improve the conditions of the workers	How much influence or latitude would I have to improve the working conditions and safety standards?



Table 1 (Continued)  
 Ethical Sensitivity Coding  
**Car Loan Approval**

	<i>Example 1</i>	<i>Example 2</i>	<i>Example 3</i>
Ethical Concerns	This doesn't fit my integrity level.	Ethically, it is not right to approve John's loan - it is very likely he is being scammed by the internet woman and will not be able to repay the loan.	Would I be stepping outside of professional boundaries if I gave counsel on the many reasons he should not take this loan?
Business Concerns	Will he die before the bill is paid for?	I as the loan officer have no right to tell John what to do.	Do I have the resources and rights to perform any kind of background checks on the "woman" to verify her identity/ability to repay John?
Concerns for the Client	Personal feeling for the old man.	He has no real connection to the person he for whom he is taking out a loan.	What influence does the repayment on the loan have on his personal retirement?
Motivation to affect Change	Is John aware how this looks? If not, explain.	Whether as a lender there is anything I can do to ensure John's financial safety even if I cannot ID any ethical or procedural obligation.	I would consider calling social services.

*Procedure*

Participants received an online invitation directing them to a secure anonymous website. After completing the questions and concerns for each ethical sensitivity scenario, participants were asked if they would take the job or make the loan. They then completed the response to culture instrument, the moral identity instrument, and demographic information.

## RESULTS

We predicted that moral identity moderated by response to culture would predict ethical sensitivity. Because ethical sensitivity was coded as four dichotomous variables (the presence or absence of statements associated with ethical concerns, business concerns, concerns for the employees / client, and motivation to effect change), we conducted four logistic regressions for each scenario. We also conducted a logistic regression to examine if moral identity moderated by response to culture predicted the likelihood of taking the job or making the loan. The independent variables – moral identity (MI), transforming worldview (Transform), aligning/perfecting worldview (Align), and paradox worldview (Paradox) were entered first followed by their interaction terms. The variables were centered to control for multi-collinearity in the logistic regression equations. The uncentered means, standard deviations, and inter-correlations among the variables are shown in Table 2.

TABLE 2  
Means, Standard Deviations and Inter-Correlations

		$\bar{X}$	S.D	1	2	3	4	5	6	7	8	9	10	11
	1. Morals transform culture	4.05	.65											
	2. Morals align with culture	3.41	.63	.09										
	3. Morals and culture in paradox	3.16	.66	-.16	-0.10									
	4. Moral identity	4.53	.49	.41***	.08	-.25***								
Sc. 1	5. Ethical concern	.43	.50	.11	-.01	.19*	.08							
	6. Business concern	.32	.47	.07	.02	.03	-.19*	-.16*						
	7. Employee concern	.57	.50	.07	.08	-.21**	.18	-.05	.02					
	8. Motivation to affect change	.39	.49	-.01	-.04	-.05	.12	-.13	.05	-.24***				
Sc. 2	9. Ethical concern	.63	.48	-.09	.00	.12	-.15	.07	.04	.12	-.05			
	10. Business concern	.46	.50	-.01	-.03	-.06	-.03	.01	.00	.02	.01	-.13		
	11. Client concern	.56	.50	.22**	.09	.02	.16	.04	.05	.07	.04	.05	.00	
	12. Motivation to affect change	.06	.25	.06	.10	-.02	.13	.14	-.01	.18*	.06	.04	.08	.23**

N= 155 \* p < .05; \*\* p < .01 \*\*\* p < .00

TABLE 3  
Scenario 1 Gold Mine Position

	Ethical Concerns		Business Concerns		Concerns for Employees		Motivation to affect Change		Take Job	
	Wald	Exp(B)	Wald	Exp(B)	Wald	Exp(B)	Wald	Exp(B)	Wald	Exp(B)
<i>Step 1</i>										
Transform	1.948	1.566	2.235	1.709	.295	.840	.314	.841	.827	.748
Align	.002	1.014	.003	1.017	.021	.951	.432	.814	.324	.825
Paradox	6.544**	2.213	.041	1.065	4.883*	.478	.019	.960	2.195	1.604
Moral identity	1.005	1.594	4.243*	.368	3.885*	2.670	1.391	1.729	1.167	1.721
<i>Step 2</i>										
Transform*moral identity	.001	1.022	1.781	.369	1.701	2.491	.390	1.520	.005	.954
Align*moral identity	.395	1.463	.937	1.890	4.085*	4.393	.260	.726	2.792	2.893
Paradox*moral identity	.138	.781	.801	.547	.995	2.150	.000	1.011	3.681*	.263

N= 155 \* p < .05; \*\* p < .01 \*\*\* p < .001

TABLE 4  
Scenario 2: Car Loan Approval

	Ethical Concerns		Business Concerns		Concerns for Client		Motivation to affect Change		Make Loan	
	Wald	Exp(B)	Wald	Exp(B)	Wald	Exp(B)	Wald	Exp(B)	Wald	Exp(B)
<i>Step 1</i>										
Transform	.287	.835	.050	1.071	6.668**	2.456	2.813	5.632	3.232†	.556
Align	.335	1.204	.266	.857	1.981	1.603	.008	1.074	.000	.999
Paradox	.308	1.183	.104	.912	2.084	1.572	.052	1.166	.003	1.017
Moral identity	1.111	.600	.000	1.005	.229	1.262	1.834	7.217	.000	1.007
<i>Step 2</i>										
Transform*moral identity	.082	1.235	.147	1.293	.060	.835	3.639*	.011	.129	1.282
Align*moral identity	.073	.842	.053	1.143	.430	.641	1.305	6.554	.000	.989
Paradox*moral identity	.393	1.526	.770	.579	1.119	.477	.015	.829	.609	1.648

N= 155 † p <.07; \* p < .05; \*\* p < .01 \*\*\* p < .001

### *Moral Identity*

Moral identity (MI) was directly related to ethical sensitivity in the first scenario (gold mine). Specifically, participants with higher MI listed fewer business concerns and more concerns for the well-being of employees which they thought were relevant to the decision of whether or not to take the position of Senior Vice President in charge of Production (Table 3). In addition, MI interacted with participants' response to culture in this scenario. The aligning worldview moderated the relationship between moral identity and ethical sensitivity, such that those with higher moral identity and lower aligning worldview scores were more likely to express statements of concern for employees in the gold mine. Finally, individuals with higher MI were less likely to indicate willingness to take the job as their endorsement of a Paradox Worldview increased.

There were no main effects for the impact of MI on ethical sensitivity in the second scenario (car loan).

### *Response To Culture - Transform.*

In addition to the moderating effects of the response to culture on MI's impact on ethical sensitivity and decision making, there were also direct effects. As shown in Table 4, higher scores on Transforming worldview were correlated with greater ethical sensitivity in the scenario associated with providing a dubious bank loan. Participants who were more likely to see morality as a way to transform culture were also more likely to list personal concern for the client (Table 4 C). They were also less likely to make the loan (Table 4 E).

The interaction between moral identity and Transforming Worldview for ethical sensitivity outcome of "motivation to effect change" was also significant in the car loan scenario (Table 4 D). Participants with stronger Moral Identity and higher scores on the Transform subscale were more likely to list ways in which they might actively influence the client away from taking out the loan. However, examination of the negative B weight associated with the interaction suggests a more complex pattern. For people who were high on Transform, there was a relatively flat and higher slope associated with actively helping people. MI made little difference on whether or not people indicated a desire to actively help the client for those who are higher on Transform scores. There was a trend toward a significant main effect where people who were high on Transform tended to list more active helping concerns than those who were lower. On the other hand there was a positive slope between MI and active helping concerns for those with lower endorsement of Transform. Participants with lower scores on Transform were more likely to list concerns for active helping if they had a stronger MI. Effectively, people with either high MI or high Transform scores had relatively

high ethical sensitivity. The combination of the two variables didn't seem to increase ethical sensitivity.

*Response To Culture - Align.*

Higher scores on Aligning/Perfecting Worldview interacted with a high Moral Identity and corresponded with expressing more concern for employees in the gold mine scenario (Table 3 C). Other than this one exception, Align did not appear to influence ethical sensitivity or decision making for either scenario.

*Response To Culture - Paradox.*

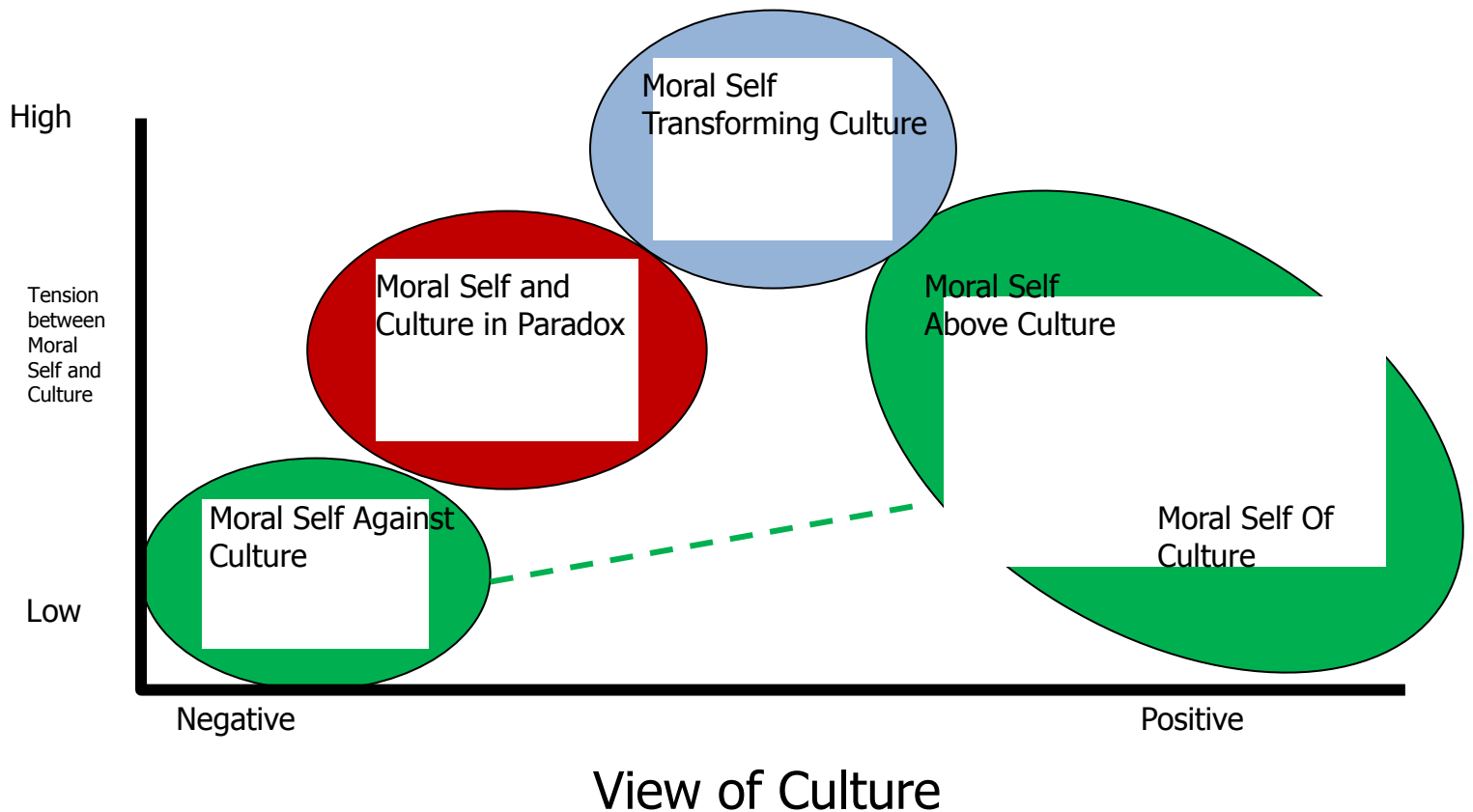
As seen in Table 3 A & C, in the gold mine scenario (Scenario 1), participants who endorsed a paradoxical worldview were more likely to list ethical concerns but less likely to list concerns for the well-being of employees. Furthermore, examination of the negative B weight associated with the interaction on Table 3 E showed that people with high Moral Identity were less likely to take the job as their endorsement of Paradox increased.

## DISCUSSION

In general, the results of this study supported the hypothesis that moral identity is directly related to ethical sensitivity and is moderated by response to culture. Additionally, there is some support for the hypothesis that one's response to culture – or worldview – does differentiate ethical sensitivity. Taken together, these results suggest that it is not only one's moral beliefs but also one's moral beliefs vis-à-vis their cultural context that influences perceptions of moral issues and decision making.

Using the Niebuhr typology as a starting point, we identified three ways individuals respond to culture: Align (which included Aligned Worldview and Perfecting Worldview, along with a reverse coded Antipodal Worldview survey item), Transform, and Paradox. If we were to arrange these three types along the continuum we identified in our literature review our x-axis would begin with the Paradox approach, then move to Transform, and finally, end with Align (see Figure 2). Instead of a bell-shaped curve, we would find the Paradox and Transform types with a high level of tension vis-à-vis the culture (y-axis), while Align would show a relatively low amount of tension between one's internal beliefs and culture.

Figure 2: Response to Culture – 3 Factors



Align predicted more concerns regarding the mining employees only when people endorsed high moral identity. For those who did not endorse a high moral identity, we found the fewest significant results associated with the Align dimension of Response to Culture, which in retrospect is not surprising. As we view the Align perspective as similar to the Moral Self of Culture, we would expect a very low level of tension between moral self and culture. Therefore, we would not expect this group to raise ethical or stakeholder concerns in the decision making process. Essentially, we would expect this group to be less likely than the Transform and Paradox groups to recognize some of the potential ethical issues raised in the scenarios; and so we were not surprised when we did not find any significant main effects on our four ethical sensitivity outcomes.

In contrast, we found those with a Paradox perspective to be less likely to identify employee concerns in Scenario 1, regarding the gold mine. The significant negative interaction between Paradox and moral identity showed that people with higher MI were less likely to take the job at the gold mine if they



were also more likely to endorse a Paradox perspective. As the title of our paper suggests, a Paradox perspective appears to pull one's internal moral compass toward inaction. In particular, our results indicate that those with high scores on the Paradox perspective would seem likely to view the potential ethical problems associated with the scenario (related to both personal ethical standards and the treatment of employees), but be unlikely to view themselves as catalysts of change. They would seem, however, to be more likely (compared to the other two groups) to disengage from the job, particularly when their own moral identity was strong and salient.

The Paradox perspective suggests a felt tension between acting on beliefs and outcomes. We hypothesized that the tension would increase moral sensitivity. Supporting this, we found that those with high scores on the paradox worldview subscale were more likely than those with high scores in the other two response to culture perspectives to identify ethical concerns in scenario 1, regarding the gold mine (with no significant predictive power to identify ethical concerns for scenario 2, regarding the bank). This may be because the paradox worldview is closest to Niebuhr's "Against" or "Antipodal Worldview" perspective, and without the latter category represented, the Paradox perspective becomes the closest indicator of those who hold more negative views of culture and business. Because they may hold more negative views of the larger culture, they may be more likely to recognize or identify the potential for unethical activities. In essence, a high MI coupled with high Paradox may suggest that the ethical concerns will be easily identified and simply ignored.

In contrast to the paradox worldview, we found that those who held a stronger transforming worldviews were less willing to make the car loan and more likely to be willing to intercede on behalf of their banking client. The negative interaction between Transform and MI for motivation to affect change showed an interesting pattern: High Transform scores led to an increased likelihood of expressing motivation to effect change, regardless of moral identity. On the other hand, the significant negative interaction suggests that MI only made a difference in predicting motivation to effect change in people who were lower in endorsing the Transform perspective. Higher Transform scores washed out the effect of moral identity as it only made a difference when Transform was lower. Like the Paradox perspective, a Transform perspective is likely to identify the potential ethical pitfalls of the scenario; but unlike the Paradox perspective, those who score high on a Transform perspective are likely to view themselves as catalysts for change. In this case, the magnetic pull on the internal compass moves people toward action.

Consistent with recent research showing that internalized moral identity is a powerful predictor of moral behavior, our findings suggest that moral identity has a direct effect on ethical sensitivity. Indeed in this study, participants with

greater moral identity were less likely to list business concerns and more likely to list concerns for employee well being. This relationship between moral identity and ethical sensitivity was enhanced when individuals were also high on the Transform or Align dimensions of Response to Culture. However, our current research suggests a caveat for the consistent correlation between moral identity and positive social and personal outcomes: Specifically, there does appear to be a moderating impact of moral self, such that people with stronger internal moral identity who also view their moral self in contrast to culture (i.e., those higher on Paradox) may be *less* likely to engage in the situation in question. In this case, strong moral identity may lead to less willingness to try to change an acknowledged unethical context.

Looking toward future refinement of this research protocol, the results of this study raise the question of why we found significant results for the Paradox perspective in Scenario 1 and not 2, and significant results for the Transforming perspective in Scenario 2 and not 1. Differences in results between the two scenarios may have been due to different ethical intensities.<sup>45</sup> Post-hoc matched sample t-tests showed that participants were, in general, more likely to see ethical and business concerns in the loan officer scenario regardless of their moral identity or worldviews. It may simply have been easier for most of our participants to visualize themselves in the position of a loan officer, as compared with an executive vice-president of production for a multi-national corporation. Therefore, although we would expect those with a Transform perspective to be most likely to try to effect change, this might not be reflected in a scenario that is a stretch for most people to imagine as part of their likely job role (gold mine manager). Similarly, for those with a Paradox Worldview, the gold mine scenario may be more likely than the auto loan scenario to trigger notions of “business as bad guy” and therefore more likely than the loan scenario to result in withdrawal rather than engagement.

Because there are no other social science scales associated with Neihbur’s model, we developed the Response to Culture instrument for this study, without the possibility of prior research data to support its validity. However, the data collected for this study gives some evidence for its validity. Our raters were able to differentially sort items into their intended categories, the factor analytic data supported unique factor structures that generally differentiated three worldviews and examination of the correlation matrix in Table 2 showed that moral identity was positively correlated with Transform and negatively correlated with Paradox perspectives, providing convergent and divergent validity support for the scales. Nevertheless, while the research here gives partial support to the response to culture instrument, we are interested in further refinement. We did not find a

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<sup>45</sup> Jones, “Ethical decision making by individuals in organizations”

dimension that satisfactorily corresponded to an Antipodal Worldview; instead, Antipodal and Paradox merged structurally, while Antipodal and Aligned collapsed on each other, with one being the inverse of the other. In addition, the Perfecting Worldview also collapsed into this category. While it is possible that if we had had a larger or more diverse sample we might have found more distinct types (four or five as opposed to three), it may be instead that Niebuhr's categories were originally too granular and that in actuality most people do not distinguish between Aligned and Perfecting Worldviews, and only view an Antipodal Worldview as the opposite of the first two. Our data support this latter possibility. Further research is necessary to substantiate this three factor solution.

Finally, since this research incorporated a survey methodology there is always concern that significant results are due to common method variance. Since both of our independent variables were measured with Likert-types scales, we tested and affirmed that we were using independent constructs via an exploratory factor analysis which showed that the five items associated with moral identity loaded on a single factor independent of the three response to culture sub-scales. Since ethical sensitivity was measured with open ended statements (rather than Likert measures), common method variance is less of a concern.

#### CONCLUSION

Our research supports the value of considering Response to Culture as a context that can influence the effect of moral identity on ethical decision making. Moral identity was generally a strong predictor of ethical decision making, but this relationship was moderated by one's response to culture perspective. As other researchers have written, this research suggests that moral identity is not immune from contextual factors and that the very way one thinks of the ethical nature of culture vis-à-vis one's own ethical and moral beliefs may indeed impact how moral identity influences ethical sensitivity and subsequent behavior. Consequently, it may be overreaching to expect that strong moral identity will override the slings and arrows of injurious contexts to drive ethical behavior.

Our research also partially supports Niebuhr's classification of worldviews. Our response to culture categories were initially based on the Niebuhrian typology with five categories which we then collapsed into three distinct categories: Paradox, Transform, and Aligned. Those with Aligned Worldviews had the lowest levels of ethical sensitivity, while those with Paradox and Transforming Worldviews were more likely to identify concerns in ethically ambiguous scenarios. However, those with a Paradox Worldview were less likely to identify remedies for the ethical scenarios compared with those who held to a Transforming Worldview, particularly when such a perspective was combined with a high moral identity.

While this research sought to expand and broaden the usefulness of Niebuhr's categories to non-religious morals, future research incorporating its original intent may provide fruitful information on why those who hold similar religious beliefs often draw such remarkably different responses to global needs.<sup>46</sup> Moreover, as noted in the introduction, Niebuhr believed that people are not wedded to only one worldview; they can hold all, with some being stronger than others. Future research should examine the extent to which Response to Culture categories could be primed and the consequences of that priming for its effect on the relationship between ethical sensitivity and action as well as its own main effect.

In sum, these results add complexity to the growing literature surrounding the importance of understanding what can positively and negatively influence moral identity. Like other research our results suggest that moral identity itself can be a positive motivating force for further leadership development<sup>47</sup> and other pro-social behaviors.<sup>48</sup> But it is not insulated from other forces. Belief systems, such as Response to Culture, in conjunction with moral identity not only sensitize people to ethical issues but may shape their willingness to engage in transformative action.

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<sup>46</sup> Wallis, *God's Politics*.

<sup>47</sup> Walumbwa, Avolio, Gardner, Wernsing and Peterson, "Authentic Leadership"

<sup>48</sup> Aquino and Reed, "The Self Importance of Moral Identity"

## APPENDIX A

### Response to Culture

#### Final scale items with factor loadings

##### Morals Transform Culture

- |   |     |
|---|-----|
| 1. My morals compel me to make a difference in this world.            | .80 |
| 2. It is my responsibility to work toward justice.                    | .71 |
| 3. It's important to make a positive impact on others' lives.         | .76 |
| 4. We are on this earth to make it a better place.                    | .61 |
| 5. I have a responsibility to leave the world better than I found it. | .69 |

##### Morals align with Culture

- |  |      |
|--|------|
| 1. People with different beliefs still agree on most moral standards.    | .58  |
| 2. Most people have good intentions and know right from wrong.           | .67  |
| 3. Society is composed of individuals with good moral standards.         | .72  |
| 4. My moral standards are similar to those of others in society.         | .72  |
| 5. My moral beliefs regularly clash with the moral beliefs of others (R) | -.66 |
| 6. The world around me is generally a good place.                        | .58  |

##### Morals and Culture in Paradox

- |   |     |
|---|-----|
| 1. It's not always obvious what the "right" thing is.                   | .85 |
| 2. I lose out because I hold moral beliefs that contradict others.      | .51 |
| 3. The world is full of gray areas                                      | .41 |
| 4. It is sometimes necessary to compromise one's values.                | .66 |
| 5. People often have to make decisions that conflict with their morals. | .69 |

## APPENDIX B

### Ethical Sensitivity Scenarios

#### Scenario 1: Gold Mine Position

You are a Vice President in charge of marketing and sales for a relatively large U.S.-based company called AUNow, Inc. Your company offers a handful of products but principally sells gold at wholesale to various jewelers. You have been offered a promotion. You've been asked to join the executive ranks as the Senior Vice President in charge of production. If you accept the position, you will be stationed overseas and supervise the mining operations. Before accepting the promotion, you tour the various mining operations around the world. Most of your mining operations are located in developing countries and many of the employees have relocated in order to work at the mines. You observe many of the local people who are employed in the physically demanding job of extracting gold. You note that some employees look like they are in their teens, most employees work more than 8 hour shifts, and the work is obviously dirty and possibly dangerous. While the mining practices you see would not meet US employment or safety guidelines, they are legal in the countries in which they occur. What are the issues associated with taking this job? Please write no more than five issues or questions you believe should be considered before making this decision.

#### Scenario 2: Car Loan Approval

You are employed in the consumer lending division of a large established bank where one of your responsibilities is to develop a portfolio of consumer loans to individuals and small businesses. One afternoon you get a call from a man named John who is inquiring about taking out a loan to finance the purchase of a car on behalf of someone else. You set up a meeting with him to discuss the terms of the loan, whereupon you find that he is an elderly man who lives alone; he appears somewhat starved for conversation. You learn that John has recently begun corresponding via email with a woman he "met" on the internet, and while he has never met her in person, he is trying to take out a loan to allow her to purchase a vehicle. Apparently, she is not able to secure a loan because she has no collateral, but he is confident that she will repay him. John is clearly competent enough to understand the terms of the loan and has the financial ability to repay it with his retirement nest egg. What are the issues associated with making this loan? Please write no more than five issues or questions you believe should be considered before making this decision: