

The General Theory of Marketing Ethics: A Revision and Three Questions

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The general theory of marketing ethics, first published in the Journal of Macromarketing by Hunt and Vitell (1986), has been the focus of much discussion and empirical testing. As a result, the theory was revised in 1993. This article overviews the 1993 revision of the model and addresses three questions that are often asked by those who use the model in the classroom and/or in research: (1) What is the justification for using normative ethical theory as a starting point for positing a positive ethical theory? (2) Is the Hunt-Vitell (H-V) model a causal model, that is, is each concept in the model a construct to be measured? (3) How, specifically, can the H-V theory be used to teach marketing and business ethics?

Keywords: *ethics; theory; Hunt-Vitell model; empirical tests; teaching ethics*

First appearing in the *Journal of Macromarketing* in Hunt and Vitell (1986), the general theory of marketing ethics traces to when the first author started teaching at the University of Wisconsin in January 1969. At that time, he assumed responsibility for developing a new course—later given the label *macromarketing*—that was to focus on subjects such as ethics, marketing systems, public policy, and social responsibility. In the early 1970s, teaching materials in the area of marketing ethics devoted extensive attention to the presumed existence of an “ethics gap” between marketers and other members of society, which resulted from marketers and others in society having different ethical frameworks. Using normative theories from moral philosophy, several class discussions in the macromarketing course focused on what kinds of investigations would be appropriate for determining whether, in fact, there existed an ethics gap and whether this gap resulted from marketers having ethical frameworks that differed from others in society. These discussions, though lively, were educationally unproductive, because (it seemed to the first author) of the lack of a positive theory to guide thoughtful, systematic analyses of ethical issues.

In preparation for teaching the macromarketing class in the fall semester of 1974, a rudimentary outline of a theory

of ethical decision making was developed in an effort to make class discussion more productive. If people actually followed the suggestions and advice of moral philosophers, it was reasoned, then integrating philosophers’ deontological and teleological theories could provide a framework for a positive theory of ethics. Students responded favorably to the theory and, over a period of several years, it grew richer in detail. In 1980, the first author joined the faculty at Texas Tech University, and in the fall of 1981, the second author—then a doctoral student in Texas Tech’s PhD program—took Texas Tech’s version of the macromarketing course. He became interested in testing the theory in his dissertation. Over the next few years, we jointly worked on the theory, and our efforts resulted in a version of it being presented at the Macromarketing Conference held in Vancouver, Canada, in 1984. We then developed a revised version that ultimately—after much give and take with reviewers—was published in the *Journal of Macromarketing* in 1986.

By the late 1980s, consistent with our intentions, many scholars began using the theory for teaching ethics and for guiding empirical research. By the early 1990s, because we did not give the theory a name in the original article, scholars in the ethics literature began referring to it as, simply, the Hunt-Vitell (or H-V) theory (or model) of ethics. Scholars also began pointing out that most of the theory was really applicable to ethical decision making *in general*, not just to decisions in marketing or business. Their comments and the positive findings of empirical researchers led us to a revised model that was published in Hunt and Vitell (1993).

The purpose of this article is to update the original, 1986, article. Specifically, we first overview the 1993 revision of the theory and model. We then address three questions that are often asked by those who use the model in the classroom and/or in research: (1) What is the justification for using *normative* ethical theory as a starting point for positing a *positive* ethical theory? (2) Is the H-V model a causal model, that is, is each concept in the model a *construct* to be measured? (3) How, specifically, can the H-V theory be used to teach marketing and business ethics?

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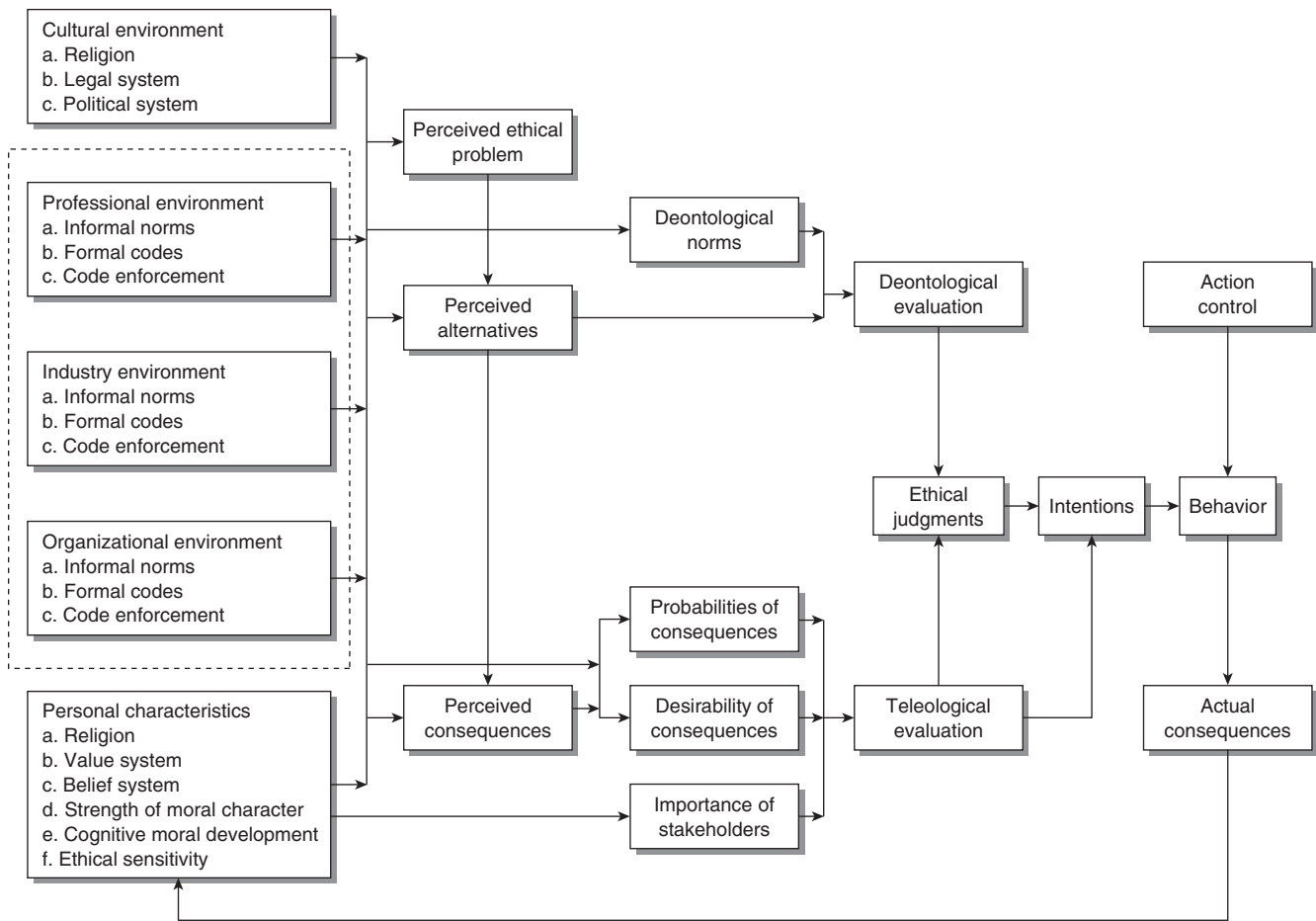


FIGURE 1 HUNT-VITELL THEORY OF ETHICS

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

OVERVIEW OF THE HUNT-VITELL THEORY

The purpose of the original *Journal of Macromarketing* article that developed the H-V theory was to (1) provide a general theory of ethical decision making and (2) represent the theory in a process model. The theory would draw on both the deontological and teleological ethical traditions in moral philosophy. While deontologists believe that “certain features of the act itself other than the *value* it brings into existence” make an action or rule *right*, teleologists “believe that there is one and only one basic or ultimate right-making characteristic, namely, the comparative value (nonmoral) of what is, probably will be, or is intended to be brought into being” (Frankena 1963, 14).

Since its original development, the H-V model has undergone extensive empirical testing. As a result of the testing, as well as the comments of various scholars on the theory, the model underwent a modest revision. The discussion here

follows the revised model in Hunt and Vitell (1993), which is displayed in Figure 1. Because we argue that the H-V theory is a general theory of ethical decision making, our discussion will show how the theory incorporates other perspectives and concepts in the area of ethics. For example, we will show how the theory incorporates concepts from works on integrated social contracts (e.g., Donaldson and Dunfee 1994), moral intensity (Jones 1991), opportunity (e.g., Zey-Ferrell, Weaver, and Ferrell 1979), religiosity (e.g., Wilkes, Burnett, and Howell 1986; Vitell and Paolillo 2003), organizational commitment (e.g., Hunt, Wood, and Chonko 1989), Machiavellianism (e.g., Singhapakdi and Vitell 1991), strength of moral character (e.g., Williams and Murphy 1990), cognitive moral development (e.g., Trevino 1986), and ethical sensitivity (e.g., Sparks and Hunt 1998).

The H-V model addresses the situation in which an individual confronts a problem perceived as having ethical content. This perception of an ethical problem in the situation

triggers the process depicted by the model. If the individual does not perceive some ethical content in a problem situation, subsequent elements of the model do not come into play. Given that an individual perceives a situation as having ethical content, the next step is the perception of various possible alternatives or actions that might be taken to resolve the ethical problem. It is unlikely that an individual will recognize the complete set of possible alternatives. Therefore, the evoked set of alternatives will be less than the universe of potential alternatives. Indeed, ultimate differences in behaviors among individuals in situations that have ethical content may be traced, in part, to differences in their sets of perceived alternatives.

Once the individual perceives the evoked set of alternatives, two kinds of evaluations will take place: a deontological evaluation and a teleological evaluation. In the process of deontological evaluation, the individual evaluates the inherent rightness or wrongness of the behaviors implied by each alternative. The process involves comparing each alternative's behaviors with a set of predetermined deontological norms. These norms represent personal values or rules of moral behavior. They range from (1) general beliefs about things such as honesty, stealing, cheating, and treating people fairly to (2) issue-specific beliefs about things such as deceptive advertising, product safety, sales "kickbacks," confidentiality of data, respondent anonymity, and interviewer dishonesty. The norms, according to the H-V theory, take the form of beliefs of the following kinds: "It is always right to . . ."; "it is generally or usually right to . . ."; "it is always wrong to . . ."; and "it is generally or usually wrong to."

The deontological norms include both the hypernorms and local norms of the integrative social contracts theory of Donaldson and Dunfee (1994) and Dunfee, Smith, and Ross (1999). Contrasted with specific, community-based, local norms, hypernorms are universal norms that represent "principles so fundamental to human existence that . . . we would expect them to be reflected in a convergence of religious, philosophical, and cultural beliefs" (Donaldson and Dunfee 1994, 265). These hypernorms represent "a thin set of universal principles that would constrain the relativism of community moral free space" (Dunfee, Smith, and Ross 1999, 19). In the area of business ethics, they offer examples of hypernorms such as informing employees about dangerous health hazards and employees' rights to physical security.

In contrast, the teleological evaluation process focuses on four constructs: (1) the perceived consequences of each alternative for various stakeholder groups, (2) the probability that each consequence will occur to each stakeholder group, (3) the desirability or undesirability of each consequence, and (4) the importance of each stakeholder group. Both the identity and importance of the stakeholder groups will vary across individuals and situations. For example, the stakeholders may (or may not) include one's self, family, friends, customers, stockholders, suppliers, or employees.

Although the H-V theory proposes that the teleological evaluation process is influenced by the desirability and

probability of consequences, as well as the importance of stakeholders, no specific information-processing rule (such as a lexicographic process) is postulated. Indeed, the model proposes that the information-processing rules will differ across different people's personal moral codes. The overall result of the teleological evaluation will be beliefs about the relative goodness versus badness brought about by each alternative, as perceived by the decision maker. One interpretation of the teleological evaluation (TE) process for an alternative *K*, with regard to stakeholders 1, 2, 3, . . . *m*, who have differing importance weights (*IW*), is:

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

In this formula:

- IW*₁ = Importance of stakeholder 1
- PosCon₁ = Positive consequences on stakeholder 1
- NegCon₁ = Negative consequences on stakeholder 1
- P*_{pos} = Probability of positive consequences occurring
- P*_{Neg} = Probability of negative consequences occurring

We stress that the formula represents an *interpretation* of the TE process. We do not posit that people actually make these detailed calculations. Instead, we propose, people actually go through an informal process for which the formula is an idealized, formalized representation.

The core of the model comes next. The H-V theory posits that an individual's ethical judgments (e.g., the belief that a particular alternative is the most ethical alternative) are a function of the individual's deontological evaluation (i.e., applying norms of behavior to each of the alternatives) and the individual's TE (i.e., an evaluation of the sum total of goodness versus badness likely to be provided by each alternative for all relevant stakeholders). That is, *EJ* = *f*(*DE*, *TE*), where *EJ* is ethical judgments, *DE* is deontological evaluation, and *TE* is teleological evaluation. It is possible that *some* individuals in *some* situations will be strict (e.g., Kantian) deontologists and, therefore, will completely ignore the consequences of alternative actions (i.e., *TE* = zero). However, the theory maintains that it is unlikely that such a result would be found across many individuals and different situations. Similarly, although it is possible that some people in some situations might be strict (e.g., utilitarian) teleologists (i.e., *DE* = zero), such a result is unlikely across many individuals and situations.

Consistent with general theories in consumer behavior (e.g., Engel, Blackwell, and Kollat 1978; Howard and Sheth 1969) and the Fishbein and Ajzen (1975) model, the H-V model posits that ethical judgments affect behavior through the intervening variable of intentions. Like Petty and Cacioppo (1986) and Jones (1991), the H-V model proposes that both ethical judgments and intentions should be better predictors of behavior in situations where the ethical issues are central,

rather than peripheral. Indeed, the issue-contingent model of Jones (1991) uses the H-V theory as a theoretical foundation and focuses on the importance of the moral intensity of an ethical issue as key for understanding situations involving ethical content. Supporting this view, research by Newstrom and Ruch (1975) found the ethical beliefs of managers to be highly congruent with their claimed frequency of behavior.

The H-V model proposes that ethical judgments will sometimes differ from intentions because TE also independently affects intentions. That is, although an individual may perceive a particular alternative as the most ethical, the person may intend to choose another alternative because of certain preferred consequences (e.g., there might be significant positive consequences to one's self as a result of choosing the less ethical alternative). The theory suggests that when behavior and intentions are inconsistent with ethical judgments, there will be feelings of *guilt*. Therefore, two individuals, A and B, may engage in the same behavior, yet only A may feel guilty, because B's behavior is consistent with his or her ethical beliefs.

What is called *action control* in the model is the extent to which an individual actually exerts control in the enactment of an intention in a particular situation (Ajzen 1985; Tubbs and Ekeberg 1991). That is, situational constraints may result in behaviors that are inconsistent with intentions and ethical judgments. One such situational constraint may be the *opportunity* to adopt a particular alternative. Zey-Ferrell, Weaver, and Ferrell (1979) empirically documented the influence of opportunity on behavior in situations having ethical content. Similarly, Mayer (1970) identified opportunity as being a condition that impinges on ethical behavior.

After behavior, there will be an evaluation of the actual consequences of the alternative selected. This is the major learning construct in the model. These actual consequences provide feedback to the category of variables labeled "Personal Characteristics." Hegarty and Sims (1978) examined whether a system of perceived rewards and punishments could change behaviors in a situation involving ethical content. They concluded that "the results lend support to the notion that many individuals can be conditioned (i.e., can "learn") to behave unethically under appropriate contingencies" (p. 456). Conversely, of course, the H-V theory maintains that individuals can be conditioned to behave ethically.

The H-V model identifies several personal characteristics that might influence specific aspects of the ethical, decision-making process. Unquestionably, an individual's personal religion influences ethical decision making. A priori, compared with nonreligious people, one might suspect that (1) highly religious people would have more clearly defined deontological norms and that (2) such norms would play a stronger role in ethical judgments. Wilkes, Burnett, and Howell (1986) explored the meaning and measurement of religiosity in consumer research. Their measures of religiosity seem to be appropriate for exploring the extent to which strength

of religious belief per se results in different decision processes. However, religiosity is a complex variable, and multidimensional scales (e.g., Allport and Ross 1967) may also be useful in such studies. Vitell, Paolillo, and Singh (2005) used the Allport and Ross scale in a consumer ethics setting to examine the impact of both intrinsic and extrinsic religiosity on ethical beliefs, where the former is characterized by individuals sincerely incorporating faith and religious beliefs into everyday life, and the latter is characterized by individuals simply using religion as a source of comfort, social support, self-justification, and/or status. Their findings indicate that while extrinsic religiosity has little impact on one's ethical beliefs, intrinsic religiosity is a significant determinant of consumer ethical beliefs.

An individual's value system would also affect the decision process. In general, we urge researchers to explore many different values and the extent to which these values affect ethical decision making. Consider, for example, organizational commitment as one such value. Hunt, Wood, and Chonko (1989) found corporations that have high ethical values will, subsequently, have employees more committed to the organization's welfare. This is an apparently positive outcome. However, is it possible that individuals exhibiting high organizational commitment (even *because* of the organization's ethical values) will then place such great importance on the welfare of the organization that they may engage in questionable behavior if such behavior were thought to be beneficial to the organization? Only research can answer this question fully. A recent four-country study (Vitell and Paolillo 2004) does, however, indicate a link between organizational commitment and the decision maker's perception that ethics should be a long-term, top priority of the organization.

Belief systems focus on the individual's set of beliefs about the world. For example, one might consider Machiavellianism as a belief system, as has been explored by Singhapakdi and Vitell (1991). More generally, the kinds of beliefs we have in mind are those that reflect how the individual believes the world "works." To what extent does an individual believe that all people are motivated solely by self-interest? In moral philosophy terms, to what extent does a person believe all others are guided by ethical egoism? The model suggests that, to the extent that an individual believes this is how the world actually "works," this belief will guide the individual's behavior by influencing the perceived consequences of alternatives and their probabilities.

Strength of moral character has been argued to be an important moderator of the relationship between intentions and behavior by Williams and Murphy (1990). Drawing on Aristotle's virtue ethics, Williams and Murphy emphasize, among other things, the important function of role models in developing a virtuous moral character (i.e., one having such virtues as perseverance, courage, integrity, compassion, candor, fidelity, prudence, justice, public-spiritedness, and humility). Thus, those individuals with high moral character

would have the strength of will to behave in a manner consistent with their ethical judgments.

The subject of cognitive moral development (Kohlberg 1984; Rest 1986; Trevino 1986) has received much attention in the ethics literature. A study by Goolsby and Hunt (1992) found that marketing practitioners compare favorably with other social groups in their level of cognitive moral development. Furthermore, they found that marketers scoring high on cognitive moral development tend to be female, highly educated, and high in social responsibility. Because a higher stage of cognitive moral development implies a greater capacity to reason through complex ethical situations, it seems that individuals high in cognitive moral development would, among other things, (1) bring in more deontological norms in any situation and (2) would consider the interests of more stakeholders in their decision making. Using a sample of 323 purchasing agents, Cole, Sirgy, and Bird (2000) explored whether cognitive moral development moderates the relationship between the desirability of consequences to self versus others and TE. They found, contrary to their hypothesis, no moderating relationship.

As a final personal characteristic, some people are, quite simply, more *ethically sensitive* than others. That is, when placed in a decision-making situation having an ethical component, some people never recognize that there is an ethical issue involved at all. Recall that the model starts with the perception that there is, indeed, some ethical problem involved in the situation. The systematic study of ethical sensitivity has begun in the areas of dentistry (Bebeau, Rest, and Yamoor 1985), professional counseling (Volker 1979), and accounting (Shaub 1989). In marketing, Sparks and Hunt (1998) explored the ethical sensitivity of marketing researchers and found, among other things, that their sample of practitioners was more ethically sensitive to research ethics issues than a sample composed of marketing students. They concluded that “the greater ethical sensitivity exhibited by marketing research practitioners can be attributed to their socialization into the marketing research profession, that is, by their learning the ethical norms of marketing research” (Sparks and Hunt 1998, 105).

Like Shaub (1989), Sparks and Hunt (1998) found a negative relationship between relativism and ethical sensitivity. Two factors, they propose, may account for this negative finding. First, the disbelief in moral absolutes may reduce the likelihood of ethical violations “standing out” among other issues. In a world where all issues are relativistic shades of gray, ethical issues may just blend in with everything else. As a second explanatory factor, relativists may consider ethical issues in general to be less important than may nonrelativists. Sparks and Hunt (1998) also found a significant, negative relationship between ethical sensitivity and formal training in ethics received by respondents. One potential explanation for this surprising finding is that, rather than strengthening beliefs in the existence of morally right and wrong behavior, existing ethics education programs

may be serving only to strengthen relativistic views. Nucci and Pascarella (1987) noted that a historical goal of U.S. colleges and universities was to develop moral responsibility and students’ character by teaching ethical thought and action. However, McNeel (1994) pointed out that ethics training in higher education has become, increasingly, “value-free.”

Since the work of Bartels (1967), marketing has stressed the role of culture in influencing ethics. Likewise, the H-V model stresses the importance of cultural environment in influencing the process of ethical decision making. As components of culture, the H-V model suggests that researchers focus attention on religion, legal systems, and political systems.

The boxes in the model labeled *Industry Environment*, *Professional Environment*, and *Organizational Environment* specifically orient the model toward ethical situations for businesspeople and the professions (Figure 1). The H-V model proposes that all industries, professional associations, and organizations have complex sets of norms, some of which are often formalized in codes, but most of which are informal norms communicated in the processes. These norms, therefore, form a framework by which individuals are *socialized* into their respective organizations, professions, and industries. Much work needs to be done in identifying the extant informal norms across different industries and professional associations. For example, to what extent do the norms related to personal selling in the steel industry differ from those in the chemical industry, or in advertising? It seems that these differing sets of informal norms would play prominent roles in influencing which deontological norms an individual would consider as governing moral reasoning in specific decision contexts. We close this overview by examining empirical tests of the H-V theory.

Empirical Tests of the Theory

There have been scores of studies that have used the H-V model as a theoretical foundation for empirical investigation and/or theoretical analysis. The research design of the first test of the theory explored how some 200 sales and marketing managers responded to the bribery scenario detailed in our 1986 paper (Vitell and Hunt 1990). Briefly, the results showed that managers did tend to depend on both deontological and teleological factors when making ethical judgments, and managers also tended to form their intentions for behaviors by relying both on their ethical judgments and teleological considerations. Moreover, we were able to conclude that “if one wants to foster more ethical behavior on the part of one’s subordinates, the results of this study indicate that it would be better to reward ethical behavior than to punish unethical behavior” (Vitell and Hunt 1990, 262). However, the results also revealed a shortcoming of the research design, to wit, many respondents simply did not see the bribery scenario as a true ethical *dilemma* (respondents seemed to clearly favor the alternative of issuing an order to

the salespeople to stop giving excessive gifts, but not reducing their compensation). Therefore, we urged researchers to create scenarios for testing the model that involved “true ethical dilemmas” (Vitell and Hunt 1990, 261).

In another test, Mayo and Marks (1990) explored how 100 marketing researchers would handle a marketing research ethical problem that centered on a research report that had questionable validity and reliability. Focusing on the *core* relationships of the model, they concluded the following: “The results provide substantial support for the relationships proposed in this part of the model, . . . ethical judgments to resolve dilemmas are found to be jointly determined by deontological and teleological evaluations, . . . [and] the relationship between judgments and intentions to adopt an ethical alternative is attenuated when its implementation does not result in a preferred consequence” (p. 163). Donoho et al. (1999) replicated Mayo and Marks’s (1990) research across four different national populations, finding evidence consistent with Mayo and Marks’s original results.

A study by Singhapakdi and Vitell (1991) explored the relationship between several background variables, including Machiavellianism and locus of control, and the deontological norms of 529 members of the American Marketing Association. Machiavellianism is a personality trait associated with a manipulative, unethical (or at least amoral) leadership style (Hunt and Chonko 1984), and people who have a high internal locus of control believe that events that happen to them occur because of their own behavior or their own personal characteristics (Rotter 1966). Using the marketers’ agreement/disagreement with seven items drawn from codes of ethics of the American Marketing Association as a measure of deontological norms, they found that those marketers scoring low on the Machiavellianism scale and those exhibiting a high internal locus of control had higher deontological norms.

Using the same American Marketing Association sample, Singhapakdi and Vitell (1990) also explored the relationships between various background factors and both perceived ethical problem and perceived alternatives. They found that marketers scoring high on the Machiavellianism scale perceived ethical problems as less serious and were unlikely to view punishment of unethical behavior as a viable alternative. On the other hand, marketers in organizations enforcing a code of ethics perceived ethical problems as more serious and were more likely to view punishment of unethical behavior as an acceptable course of action.

Unlike most ethics studies, the study by Hunt and Vasquez-Parraga (1993) used a field-experimental design to explore how 747 sales and marketing managers would handle ethical problems relating to salespeople (1) lying to their customers about plant capacity in order to negotiate better prices with purchasing agents and (2) recommending expensive products in their product lines, even though less expensive products would better fit customer needs. This study represents the strongest test yet of the H-V model, because it (1) employed an experimental design, (2) overcame some

of the measurement problems associated with previous tests, and (3) used structural equation modeling techniques. The results showed that goodness-of-fit indices were extremely high (.999 and .994), the squared multiple correlations for both ethical judgments and intervention were large (.691 and .657, respectively), the total coefficient of determination for structural equations was impressive (.717), the signs of all the parameters were in the expected direction, and all hypothesized paths were statistically significant. In short, the study found the model to fit the data “like a glove.” Equally important, it found that, at least in the situations they investigated, marketers relied *primarily* on deontological factors and only secondarily on teleological factors in forming both their ethical judgments and their intentions to act. It also found that female marketers (compared with men) seemed to rely more heavily on deontological considerations in forming their ethical judgments and less heavily on teleological ones in determining their intentions to act. Finally, those marketers who worked for companies that strongly enforced their codes of ethics (compared with those that did not) were more influenced by deontological considerations in forming their intentions to intervene and were less influenced by teleological considerations.

Using a sample of 450 Turkish sales managers, Menguc (1998) replicated the Hunt and Vasquez-Parraga (1993) study. He found that “Turkish sales managers rely primarily on deontological evaluations in determining whether a salesperson’s behavior is ethical or unethical, but teleological evaluations also play a role” (Menguc 1998, 346). He also found that Turkish sales managers are considerably higher in their intentions to intervene through discipline (i.e., punishment) when compared with U.S. managers. Overall, he concluded, the “findings provide support for the ‘core’ of the Hunt-Vitell theory of ethics” (p. 346).

Burns and Kiecker (1995) used the experimental design of the Hunt and Vasquez-Parraga (1993) study, but with a sample of 418 certified public accountants (CPAs) and scenarios that involved a CPA making recommendations on clients’ tax returns. In their study, they extended the research design by specifically measuring the deontological orientations and teleological orientations of respondents. That is, they measured respondents’ stated predispositions toward treating ethical issues deontologically and teleologically. In the replication phase of their research, their findings confirm those of Hunt and Vasquez-Parraga (1993). That is, the CPAs relied on both deontological and TEs in forming ethical judgments. Also, they found in the “extension” phase of their study that the paths from ethical judgments to intentions and from the TE to intentions in the H-V model are much higher for the teleologically oriented subsample than the deontologically oriented subsample. Therefore, “taken collectively, the results show strong support for the H-V model” (Burns and Kiecker 1995, 42).

Vitell, Singhapakdi, and Thomas (2001) tested the H-V theory in a consumer context, with a design similar to that

of Hunt and Vasquez-Parraga (1993). Three separate studies were conducted, with the first two using student samples of 148 and 82 respondents, respectively, and the third study using a national sample of 353 adult consumers. Results indicated that while deontology and teleology were both important in making decisions, consumers tended to rely more on ethical norms (deontology) than on teleology (consequences) when forming ethical judgments and intentions. Again, these results support the H-V theory.

To conclude this section, the empirical tests conducted so far provide strong support for the H-V theory. We turn now to discussing three questions that have been frequently asked by those who use the model in the classroom and/or research.

THE POSITIVE/NORMATIVE QUESTION

The first question we address is, What is the justification for using *normative* ethical theory as a starting point for positing a *positive* ethical theory? The H-V model is, indeed, a positive, not a normative, theory of ethics. That is, its objective is to increase our understanding of ethical decision making by means of a process theory that explains and predicts phenomena in situations having ethical content. Its purpose is not to provide normative guidance for making decisions that are more ethical. This positive-normative distinction seems often to get lost in critiques of the model.

For example, Laczniak and Murphy (1993) reviewed the H-V theory and concluded: "One of the essential problems of the reasoned action model [i.e., the H-V model] approach is that it never clearly specifies whether the [deontological and teleological] evaluations are made from the standpoint of the self-interest of the individual, the manager as representing the shareholders of the organization, or the manager taking into account all the various stakeholders (i.e., consumers, employees, etc.). . . . Perhaps the greatest shortcoming of such models is that they are basically *descriptive*" (p. 48). Three points are worth noting concerning the preceding critique. First, as a positive theory of ethics, the H-V model provides a framework for exploring the issue of whose "standpoint" decision makers *actually* use in their ethical evaluations. The theory does not (and should not) *prescribe* whose standpoint individuals use. Therefore, the absence of such a prescription is not, as Laczniak and Murphy allege, an "essential problem" of the theory. Second, because the H-V model is clearly identified as a positive model, it is not a "shortcoming" that is "descriptive." Rather, being descriptive is the theory's purpose. Third, both positive and normative theories have value in research on ethical decision making. Indeed, both kinds of theories can (and should) inform each other.

The original article justified using normative moral philosophy as *one* source to draw on in developing our positive theory of ethical decision making on the grounds that *if* people

actually followed the suggestions and advice of moral philosophers, then both deontological theories and teleological theories could provide a framework for a positive theory of ethics. It is worth noting, however, that it is well accepted in the philosophy of science that there is no "logic of discovery" (Hunt 2002). That is, there is no set procedure for discovering or developing theories that guarantees the formation of good positive theories. Theories may be proposed on the basis of all kinds of grounds. Nonetheless, there is a logic of justification in science. This logic bases the acceptance of positive theories in science on the results of empirical tests. And on this measure, as previously discussed, the H-V theory has proved successful.

THE CAUSAL MODEL ISSUE

The second question we address is, Is the H-V model a causal model? That is, is each concept in the model a *construct* to be measured? During the last few decades, there has been a major trend in the social sciences and marketing to develop causal models. These models are represented by a series of boxes and arrows in which each box contains a single construct that is posited to influence (and be influenced by) other constructs. Implicit in these models is that each construct in each box can be *measured*. Because of the influence of the causal modeling approach, many readers assume that any model that has boxes and arrows should be interpreted as a causal model. Indeed, one reviewer of the original article, we believe, was interpreting the H-V model as a causal model when he or she voiced the following concern: "I don't believe . . . [that] a wide variety of deontological norms can possibly be captured in a single construct."

Consider, for example, the concept of "deontological evaluation" in the model. As Mayo and Marks (1990, 170) pointed out, their measures of several of the model's constructs in their test were problematical. In a commentary on the Mayo and Marks study, Hunt (1990) also questioned the validity of several of their measures and asked, "In the process of coming to a summary ethical judgment in a situation, do people first come to an intermediate 'stopping point,' which may be referred to as 'deontological evaluation,' then combine this belief with their teleological evaluation?" (p. 175). He concluded that the best answer to this question was "no," viewing deontological evaluation and TE as processes, not constructs. Therefore, direct measures of deontological evaluation and TE are probably inappropriate. Instead of direct measures, empirical research should use "inferred" ones (Hunt 1990, 175).

To amplify the conclusions of Hunt (1990) on the causal model question, the H-V model is a *process model* of ethical decision making, not a causal model. The concepts labeled *deontological evaluation* and *teleological evaluation* are meant to signify processes of evaluation. In using the H-V model to explain and predict in, for example,

empirical tests, it is appropriate to *develop* causal models consistent with the theory underlying H-V. However, the H-V model, itself, is not a causal model.

THE TEACHING QUESTION

The third question we address is, How, specifically, can the H-V theory be used to teach marketing and business ethics? A major challenge for ethics education is to demonstrate a clear connection between classroom exercises and the actual problems that students are likely to face upon entering the workforce (Sims 2002). Faculty report that the H-V model provides a theoretical framework students can apply in evaluating hypothetical situations that closely mirror the kinds of ethical dilemmas they will face in the workplace. Specific procedures for using the H-V theory in the classroom have been provided in Hunt and Laverie (2004), and our suggestions follow the approach they recommend.

As a starting point, students are assigned to read the original *Journal of Macromarketing* article that develops the H-V model prior to the class meeting. Although students often report that they are comfortable with the model, their understanding of the implications of the model and how it could be applied is usually superficial. Comprehending the model is furthered when students are challenged to use the model to analyze a case scenario. The scenario we have used successfully is the one first published in the original article and subsequently used in the test of the theory reported in Vitell and Hunt (1990). The scenario describes an ethical dilemma in a sales management context that involves salespeople paying cash to purchasing agents to increase sales. At the beginning of class, students are given the scenario to read, encouraged to think of alternatives that might be available to the sales manager, and then rank the three alternatives given at the end of the scenario. Students are advised that they may find the previous reading on the H-V model of use in their deliberations, but they are not required specifically to use the model. This approach challenges student to use their own personal moral codes to evaluate the ethical scenario.

Once students have ranked the three alternatives, they turn in their rankings on a tear sheet that does not identify them. Students' selections are then summarized, presented in tabular form, and compared with the average results of previous administrations of the scenario in other classes in previous semesters. (The average results for six semesters are reported in Hunt and Laverie [2004].) The most common alternative selected by students is one that attempts to stop the unethical behavior of the salespeople but does not enforce any punitive sanctions. Students are then encouraged to discuss freely why they think different students have different opinions as to the most and least ethical alternatives. Students are also encouraged to propose other alternatives and argue for the alternatives' ethicality. Note that at this stage, students are being required to make choices and

being encouraged to examine their own personal moral codes, including their value systems' deontological norms and teleological beliefs (e.g., the importance of different stakeholders).

Next, the H-V model is displayed for the class, so that a more formal ethical evaluation can take place. After a brief overview of the model, students' attention is directed at the deontological norms component, and they are encouraged to offer examples of deontological norms that might be applicable to the case. The instructor assists the class in compiling a list of possible norms on the blackboard. (Hunt and Laverie [2004] provided a sample of deontological norms related to the scenario that are commonly put forth by students as potentially applicable.) Using the list of deontological norms, students are then challenged to reexamine their previous ethical choices. Students are reminded that in the deontological evaluation, evaluations are made solely on the basis of the inherent rightness or wrongness of the behaviors implied by each alternative, not the consequences of each alternative on each stakeholder.

Following the consideration of deontological evaluation, the concept of teleological evaluation is developed. Students are asked to think about which stakeholders in the scenario might be important to different people. Students quickly identify stakeholders such as the salespeople (and perhaps their families), sales manager (the one whose role students were to assume), vice president of sales, selling firm, buying firms, and purchasing agents. Students are then asked to speculate on the consequences of each alternative to each stakeholder group and the probabilities of the various consequences. Useful probes at this point include the following: Are all stakeholders equally important, as utilitarianism suggests? Why do different people value some stakeholders more than others, as cultural theorists emphasize? Should consequences not be considered at all, as a strict deontologist might propose? What would a "utility maximizer" do? (See Hunt [2000] and Hunt and Vitell [2005] on utility maximization, in general, and the H-V theory, in particular.)

After discussing whether most people do, indeed, combine their deontological evaluations with teleological evaluations to form ethical judgments, as the H-V model proposes, discussion can shift to why ethical judgments will sometimes differ from intentions. The significance of the arrow from TE directly to intentions is pointed out. That is, although an individual may perceive a particular alternative as the most ethical, the person may intend to choose another alternative because of certain preferred consequences (e.g., there might be significant positive consequence to one's self as a result of choosing a less ethical alternative). The theory can be used to point out that, when behavior and intentions are inconsistent with ethical judgments, one of the consequences will be guilt. Therefore, two individuals may engage in the same behavior, yet only one feels guilty because the other's behavior is consistent with his or her ethical beliefs.

Next, students may be asked to reflect on the “action control” portion of the model. In the scenario, what efforts can (did) the manager take to exert control? What might prevent the sales manager from exercising control? Discussion can then shift to what happens after the chosen behavior and the actual consequences are experienced by the various stakeholders affected by the alternative selected. These consequences play an important part in how people learn to be ethical and unethical. That is, they provide feedback to the personal characteristics identified in the H-V model.

The class concludes with encouraging students to reflect and analyze how their own personal characteristics, as reflected in their personal moral codes, influenced their decision. Students might be asked to write a narrative of their analysis that involves reflecting on how their own cultural environment did or did not influence their selection of an alternative. Finally, the narrative might focus on how different professional, industry, and organizational environments might influence the alternatives selected. This postexperience analysis can provide students with insights into both the process of ethical decision making and the theory.

Hunt and Laverie (2004) maintained that using the sales manager scenario and the H-V theory in the classroom fosters five ethics-education outcomes. Specifically, it (1) encourages students to know and potentially revise in a reflective manner their moral values (i.e., their personal moral codes); (2) enables them to perceive moral issues, conflicts, and responsibilities (e.g., by developing the deontological norms, stakeholders, and consequences on the stakeholders in the case); (3) assists them in learning the moral aspects of a situation (the approach directs them to *focus* on the moral aspects of the sales manager’s decision); (4) helps them share moral understandings with others (through class discussions of norms, consequences, etc.); and (5) helps them handle moral issues and conflicts (by providing them with an integrative tool, the H-V theory, and an experience in using the tool to analyze a workplace situation that has ethical dimensions).

CONCLUSION

This article has focused on three specific questions concerning the H-V theory: (1) Why does it use normative ethical theory as a basis for positive ethical theory? (2) Is the H-V theory a causal model? (3) How can the H-V theory be used to teach ethics? Following an overview of the 1993 revision of the theory, including a brief look at selected empirical tests, these three questions were addressed. Regarding the first question, as pointed out, there are no specific rules for the “logic of discovery.” Thus, it is as valid to use normative theory as a basis for a positive theoretical framework as it is to use any other possible approach to formulating a theory. The acceptance of any theory is based on its support over time through empirical testing, not on how

it was initially formulated. In addition, one can answer the first question yet another way. If people *actually do* follow deontological and teleological perspectives, as moral philosophers claim they should, then these perspectives are a logical foundation for a positive theoretical framework.

The short answer to the second question is to state simply that the H-V model is a process model, not a causal model. However, in testing the theory, it is both appropriate and possible to *develop* causal models that are consistent with the H-V theory. As to the third question, there are, of course, many ways that the H-V theory can be used as a teaching tool. The article presents one approach that has been used successfully by the authors. Readers are encouraged to either use this approach or experiment with alternatives consistent with their own teaching styles. Among other things that should be included in ethics instruction, students need theories and frameworks to guide systematic analyses of ethical issues. The H-V theory provides such a framework, but there are different ways to use it in the classroom.

In conclusion, the experience of two decades reveals that the H-V theory has been germane to the problems of academic researchers: it has proved useful in researchers’ efforts to develop programmatically and theoretically progressive streams of empirical research. The theory has also been germane to the problems of ethics instructors: it provides a vehicle for integrating the diverse approaches to ethics that are found in moral philosophy. Similarly, the theory has been germane to the problems of students: it assists them in (1) understanding their extant, often implicit, personal moral codes and (2) developing revised, personal moral codes that are more explicit and more morally informed. Likewise, the theory has been germane to the problems of business practitioners: it provides a framework that assists them in navigating the moral mazes of contemporary business practice. Somewhat paradoxically, the theory also has been germane to those theorists whose interests are in normative business ethics: although *is* does not imply *ought*, the positive H-V theory provides a framework that (1) encourages normative theorists to make explicit the norms, consequences, stakeholders, and decision rules that they propose should be dispositive in situations having ethical content and (2) informs theorists as to the likelihood of success of those proffered interventions whose aims include the furtherance of a more ethical marketplace. The authors remain hopeful that the H-V theory will continue to be viewed as germane to the problems of academic researchers, ethics instructors, students, business practitioners, and ethical theorists. So far, so good.

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