

FRAMING AND REFRAMING: A PROCESS MODEL OF ETHICAL DECISION MAKING

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We develop a dynamic model which addresses cognitive processes that precede moral reasoning. Our model emphasizes framing--the initial process an individual uses to determine whether a decision has an ethical component--and reframing, an iterative process through which an individual may seek out and consider alternative viewpoints prior to moral reasoning. The role of both conscious and automatic processing are considered. We highlight the influence of critical contextual factors as well as the effects of self-awareness, moral empathy, and past experience

The recent financial scandal involving Nick Leeson and Barings Bank illustrates the need for a process model of ethical decision making. Each of us could frame the situation in different ways, some involving and others not encompassing ethical issues. Some individuals may view the situation in terms of organizational control systems, questioning the lack of adequate financial controls at Barings Bank. Others might argue that the key issue centers on financial analysis only, or the point at which Nick Leeson should have cut his losses. Finally, we could frame the question as encompassing ethical issues, such as whether it was ethical for Leeson to continue trading after losing millions of dollars or whether Barings Bank behaved ethically in blaming the loss almost entirely on Leeson.

An ethical decision can be defined as "a decision that is both legal and morally acceptable to the larger community" (Jones, 1991: 367). As the above example demonstrates, before an individual can engage in moral reasoning about an issue, he or she must frame the issue as one that involves ethics. A decision maker relying on financial or organizational control frames in the Nick Leeson case will likely fail to consider what is legally and morally acceptable. Yet, few models of ethical decision making explicitly address initial awareness of ethical or moral implications that trigger ethical decision making (Jones, 1991). Instead, they simply assume the decision maker has already framed the situation as involving ethics. These models focus on characteristics of the ethical issue (Jones, 1991), characteristics of the decision maker, or the context in which the