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COMMUNICATION, CONSTRAINTS, AND MORAL INTENSITY: A STUDY IN DECISION-MAKING PROCESSES AND ETHICAL OUTCOMES

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Abstract

The study of ethics remains of critical importance to researchers and organizations alike and continues to receive attention as ethical infractions persist. This laboratory study (N = 194) compares the effects of ethical codes of conduct and ethical narratives, two ways that organizations may choose to communicate ethical standards to organizational followers along with two boundary conditions, industry/field constraints and moral intensity, and their joint impact on ethical decision-making, ethical sensemaking, metacognitive reasoning strategy, and perceptions of organizational communication effectiveness outcomes. Findings showed that neither type communication of ethical information on its own, result in higher levels of ethical, sensemaking, or metacognitive reasoning outcomes. Organizations may choose to present followers with a set of codes of conduct, or they may choose to share an ethical narrative, but whichever method is used should include relevant industry/field constraints. Additionally, significant results were found for constraints and moral intensity, as well as a number of two- and three-way interactions for overall ethicality, sensemaking, and use of metacognitive reasoning skills, suggesting the importance of informing employees about the types of industry pressures or restrictions that can lead to misconduct. Results showed that participants were better at problem recognition, recognizing their circumstances, and forecasting as well. This study offers fresh insight into codes of conduct theories and boundary conditions that increase their effectiveness. Implications and future directions on communication of ethical information are discussed.

Keywords: codes of conduct, ethical information, decision-making processes, organizational constraints

Introduction

Research in organizational ethics continues to be of paramount importance for both researchers and the public as media outlets continue to shed light on ethical issues from data breaches with online data to issues with diversity across numerous fields. One area where research has been scant is in the ways that organizations communicate ethical information or principles to followers and their relationship with organizational outcomes (i.e., ethical outcomes). Considering the financial and image damage organizations incur related to unethical issues, the question arises as to how ethical information and organizational views of the importance of these things are conveyed to employees. There are multiple ways ethical information may be communicated, including an employee handbook or a code of ethics that employees are given at some point during the hiring process. However, little else is known about how ethical information is communicated outside of the aforementioned mechanisms, or how meaningful it is to followers. It is also unclear how well followers are able to remember and apply these codes when ethical situations arise.

One way organizations have sought to demonstrate their ethical credentials and intentions is by declaring support for industry-wide codes of conduct, defined as "written statements of principle or policy intended to serve as the expression of a commitment to a particular enterprise conduct" (Diller, 1999). Nijhof et al., (2003) note that codes contain open guidelines describing desirable behaviors and closed guidelines prohibiting certain behaviors. Generally, codes of conduct formulate high-level normative principles and define how adopting companies should interpret and implement these in the context of their business practices (Wright & Rwabizambuga, 2006). However, questions about the effectiveness of ethical codes of conduct animate a series of ongoing debates, as organizational research focused on the relationship

between codes of conduct and ethical decision making has yielded mixed and inconclusive results (Statler & Oliver, 2016).

Developing and implementing a meaningful code of conduct or altogether changing the organizational approach in conveying ethical information may require careful reevaluation of current practices in the area. Therefore, the aim of this study is to compare various options that organizations have for communicating ethical information to followers. Specifically, this study investigates organizational communication of ethical information in both policy and narrative form. Two boundary conditions are also explored: (1) whether or not relevant information about industry/field constraints or pressures surrounding ethical behavior are communicated and (2) the addition of moral intensity communicated in ethical information.

Organizational Communication of Ethical Information

Communication concerning ethical issues is critical if organizational members are to understand the key issues and standards regarding ethical conduct (Simms & Brinkmann, 2002). Dolan and Garcia (2002) posited that in the new millennium, high organizational performance arises from communication via "articulating values, metaphors, symbols, and concepts that guide the daily activity of creating value" (p. 103) from top organizational leadership. More recent research is highlighting the type of language and information used in communication of codes of conduct as a salient component of employee adherence to organizational expectations (Kouchaki et al., 2019).

Westley & Mintzberg (1989) suggest that how organizational material is communicated becomes as important as what is communicated (p. 19). This information may be communicated in various ways, any of which may play a role in the effectiveness of the message and includes the use of language in addition to how it is communicated.

Many organizations utilize a code of ethics that is distributed at some point during the hiring process. This may be effective to those that have organizational or industry knowledge related to the codes, but this method may also be disconnected, somewhat sterile, and appear to be a list of do's and don'ts for the job. It may also be ineffective for individuals new to a field. To the novice a straightforward list of codes may lack meaning or context and be too abstract to be effective. We know that some research concerning organizational conduct codes supports their effectiveness (Ki et al., 2012; Stevens, 2008) as they articulate a value system addressing what behaviors are and are not acceptable to an organization (Stevens, 2008). Perhaps research is mixed in this area because the ways in which ethical information and organizational ethical values are communicated are dependent on the ability of employees to understand codes related to their respective job without context.

It is possible that presenting ethical information in a narrative or case-based format may afford employees a better understanding of the meaning behind ethical expectations and present an understanding of organizational codes in context. Through dialogue and storytelling, strategic organizations have the ability to shape the evolution of interactions and construct shared meanings that provide the rationale by which the past, the present, and the future of the organization come together (Boal & Shultz, 2007). It is possible that conveying ethical information via an ethical narrative will benefit employees by providing a clear picture of organizational outcomes related to ethical expectations.

Ethical Codes of Conduct

At the most fundamental level, codes of ethics exist to help managers avoid hazards associated with unethical actions (Rosthorn, 2000), and reap rewards that emanate from moving toward an ethical ideal (Garcia-Marza, 2005). Organizations seek to demonstrate the importance

of ethics by enacting codes of conduct, which are written statements of principles or policies intended to serve as the expression of a commitment to a given conduct. They formulate high-level normative principles and define how individuals should interpret and implement these in the context of their business practices (Wright & Rwabizambuga, 2003).

Communication of codes of conduct reflect a company's culture and shape what employees should believe is or is not important (Weick, 1979). However, Wright and Rwabizambuga (2006) argue that codes of conduct are primarily adopted by firms as signaling devices for demonstrating positive credentials, with the aim of strengthening corporate reputation and organizational legitimacy. When designed to achieve these ends, neither codes of ethics nor written policies and statements, offer helpful guidance for followers (Badaracco & Webb, 1995), and they typically are viewed as too broad and too superficial (Andrews & David, 1989). Organizations may fail to grasp that norms of behavior do not implement themselves (McNamee & Fleming 2007), and that ethical expectations not well integrated into managerial decision-making are unlikely to have much impact (see Geva, 2006). Stevens (2008) argues that culture and effective communication are key components to a code's success. When communication processes are not in place, values are unclear, confused, and equivocal, and there is little understanding about which values are dominant in a particular context, and the probabilities of making an ethically suspect judgment and inviting criticism are significantly enhanced (Seeger, 1997). Overall, communication is key and particularly important to the development of ethics (Seeger & Ulmer, 2003).

Communication is critical in assuring that codes are memorable to employees and relate to ethical information that is important to the organization. Therefore, if ethical information has been given in a way that employees are unable to relate to, remember, or use in context, they will

be not be able to reflect on any of their judgments or modify their suspect behaviors (Jovanovic & Wood, 2006; Shahinpoor & Matt, 2007; Zanin et al., 2016). Appropriate communications provide employees with information and clarity which enables them to make better decisions and prepares them for identifying and handling ethics-related workplace issues (Gilley et al., 2009).

Although there is much research in this realm, results related to codes of conduct have been mixed or show a general lack of effectiveness (Cleek & Leonard, 1998; Loe et al., 2000). Schwartz (2004) suggests that codes are effective when they have features of readability, relevance, and are written with a positive tone and other research has shown effectiveness when partnered with managers who value ethics and act accordingly (Stevens, 2008). Increasing effectiveness of ethical codes in any organization is contingent on taking time to reflect and requires thoughtful absorption and discussion to become culturally embedded (Stevens, 2008). Both Adam and Rachman-Moore (2004) and Weeks and Nantel (1992) discuss the interrelationship between codes and communication where codes are effective if communication channels are effective. This again highlights the need for clarity in ethical expectations as ethical concepts in codes cannot be enacted by organizational members if they are unaware of or unfamiliar with the code.

Scholarship has revealed that few businesses have created adequate processes for uncovering and articulating wider organizational values (see Nash, 1981), further affirming the argument that if present they are likely not helpful to an inexperienced employee who may not have enough organizational information to apply codes in a meaningful way. Haws (2001) found professional codes to be problematic for achieving ethics instruction and gaining access to the common vocabulary of ethical discourse. Cameron et al., (2004) suggest a heightened awareness, expanded thinking, increased vision, and understanding in followers as organizations discuss

values and allow for the debate ethical dilemmas. This helps organizational members realize that taking the right action often requires a thoughtful process (Adam & Rachman-Moore, 2004). For this reason, a thoughtful case-based approach for discussing ethical information may be a viable way for managers to convey codes of conduct to followers.

Case-Based Learning of Ethical Norms

Case-based presentation of information is an alternative way for organizations to present ethical principles and codes of conduct through a contextual narrative process that provides meaning over and above a simply worded ethical code. Due to the ambiguity and complexity involved in many ethical dilemmas, case-based, or experiential, knowledge has been identified as a critical resource for engaging in reasoning that leads to more ethical decisions (Kolodner, 1992; Mumford et al., 2008). One explanation for this is that it lessens ambiguity by providing true-to-life-context or historical stories that strengthen the connection between ethical information and understanding possible implications for breeching codes of conduct. Stories also shed light on the complexities involved when considering the various details and stakeholders involved in an ethical dilemma.

Case-based reasoning is multi-faceted and consists of multiple pieces of information from a stored case, such as goals, outcomes, critical causes, requisite resources, major contingencies, actions, steps, and timing, and actor affect (Mumford, et al., 2001). Cases provide concrete authentic experiences that provide a richer and therefore more memorable and accessible representation than abstract principles, suggesting an approach where learning is embedded in problem-solving experiences and ways of interpreting those experiences to be able to remember them at appropriate times in the future (Kolodner, et al., 2005). Features of cases are important as they not only organize cases in one's knowledge base (Chen, 2003) and abstract important

principles from cases that form case prototypes (Dubitzky et al., 1997), information about important case features and attributes demonstrate decision-making principles that can be abstracted and applied in the form of mental models to future similar situations (Féret & Glasgow, 1997). “Good cases” in ethics education are realistic and descriptive (Falkenberg & Woiceshyn, 2008). Such cases are compelling to learning and motivate a search for solutions to ethical problems, partially because they provide social details such as character types, relationships between characters, and organizational climate and culture (Thiel et al., 2012).

Emotionally rich cases appear to help individuals attend to and store important case information and bears significant influence on the transfer of case-based knowledge to an ethical domain (Thiel et al., 2013). It is notable that cases that are too rich in complexity, affective content, and realism may overwhelm cognitive processes and disrupt learning ethical information (Bagdasarov et al., 2013; Thiel et al., 2013). However, further research in this area has provided insight to appropriate levels of emotionally rich information to embed within cases to induce use of metacognitive strategies and lead to more effective sensemaking.

Communication of ethical information via an ethical narrative not only communicates organizational information in a concrete manner that is clear to employees, it allows opportunities to learn content in a contextually appropriate and applicable manner that increases understanding of organizational codes, therefore, the following hypotheses:

H1a: Case-based presentation of ethical information will result in better ethical decision-making compared to the same information presented as ethical codes of conduct.

H1b: Case-based presentation of ethical information will result in better follower sensemaking and use of metacognitive reasoning strategies compared to the same information presented as ethical codes of conduct.

H1c: Case-based presentation of ethical information will result in higher perception of organizational communication effectiveness compared to the same information presented as ethical codes of conduct.

Industry-Relevant Constraints

Ethical failures and challenges facing organizations may be difficult to anticipate or predict because organizational and industry/field constraints (i.e., industry-related pressures) ebb and flow over time. Many instances of bad behavior occur due to industry or field constraints, which are components of the work environment that interfere with employee performance by blocking their achievement of important work-related goals and objectives (Peters & O'Connor, 1980; Peters et al., 1985). Constraints may range from a lack of information, or insufficient materials and supplies, to time or sales pressures across a field, and have been found to be linked to organizational deviance. (Clark & Walsh, 2014). Research in risk literature points to the importance of the risk manager as the one who takes information from a risky environment, makes sense of it on behalf of the organization, and creates meaning about risks and opportunities (Taarup-Esbensen, 2019).

The physical and social environment have no inherent meaning outside of employees' comprehension and their ability to attribute meaning to them (Berger & Luckmann, 1991, p. 43), and action in a risky environment can only be taken if employees recognize that there is a need to act (Taarup-Esbensen, 2019). When the organization creates meaning of ethical information, it is utilizing experiences within the organization and/or occupation to highlight connections between actions taken in the past and experienced outcomes, and drawing attention to the plausibility that similar actions will produce similar results within the current organizational environment (Weick, 1988; Weick et al., 2005).

As previously suggested, the abstract nature of organizational conduct codes may lack contextual meaning for the novice, leaving some employees unable to make sense of ethical information or determine under which circumstance a particular code may apply in an ambiguous situation. Helin and Sandström (2008) suggest followers can make better sense of ethical information when organizations help them make sense of codes within the organization's context. Including this contextual information within codes should offer the meaning necessary for recognition when an ethical dilemma arises as it allows decision-makers to draw on others' vicarious experiences to learn solutions, options, and interpretations that are beyond the capabilities of any one individual (Klein, 1998, p. 245).

Organizational and field-relevant experiences, including constraints faced in the past, thus become part of the mental map of what options employees have when confronted with similar events. Sharing ethical information that includes organizational pressures that lead to bad behavior may clearly communicate the importance of ethical expectations and help avoid potential financial losses to organizations when unethical issues come to light.

H2a: Including typical industry/field constraints when communicating ethical information will result in better ethical decision-making compared to communicating ethical information without constraints.

H2b: Including typical industry/field constraints with ethical information will result in better follower sensemaking and use of metacognitive reasoning strategies compared to communicating ethical information without constraints.

H2c: Including typical industry/field constraints with ethical information will result in higher perception of organizational communication effectiveness compared to communicating ethical information without constraints.

Moral Intensity and Ethics

The ethical decision-making process is influenced by many factors that operate at different levels of influence (Valentine & Hollingworth, 2012). One of the most consistent predictors of ethical reasoning is moral intensity, a situation-based factor composed of unique issue-contingencies that strengthen employees' ethical reasoning in ethical situations (Jones, 1991), and evidence from many empirical studies suggests that moral intensity directly affects the steps of ethical decision making (e.g., Barnett, 2001; Barnett & Valentine, 2004; Kish-Gephart et al., 2010). Moral intensity captures the extent of issue-related moral imperative in a situation and depends on such factors as the nature of the benefits/harms involved, the urgency of the situation, and the decision-maker's freedom of choice in the situation (Jones, 1991). Moral intensity comprises six distinct elements that include (1) *magnitude of consequences*, the total harm that could befall victims of an unethical choice; (2) *social consensus*, the degree of peer agreement that the action is wrong; (3) *probability of effect*, the likelihood that the action will result in harm; (4) *temporal immediacy*, the length of time before harmful consequences of the act are realized; (5) *proximity*, the social, psychological, cultural, and physical nearness to the victim of the act; and (6) *concentration of effect*, the "inverse function of the number of people affected by an act of given magnitude" (Jones, 1991).

Although the theory suggests that any one element increases the moral intensity of a situation, findings suggest that magnitude of consequences and social consensus are two dimensions of moral intensity that might be more consistently related to the early stages of ethical reasoning, specifically the recognition and judgment phases (Valentine & Hollingworth, 2012). Jones (1991) proposed that moral intensity is likely to reduce the incidence of unethical choices, in part by increasing attributions of responsibility to oneself for the choice's likely

consequences to others. Thus, when offered codes of conduct or an ethical narrative containing moral intensity elements followers may consider the implications of an ethical issue with the possibility of considerable harm and opinions of other organizational members when working through an ethical dilemma and decrease the intention to make an unethical decision.

Jones' (1991) work in moral intensity suggested that it is the characteristics of the issue under consideration as well as combined effects of dimensions that impact the ethical process. Therefore, including moral intensity in any manner will increase the likelihood that employees understand the potential impact of their workplace decisions and is going to improve the sensemaking process as forecasting consequences will be better considered. Additionally, including moral intensity in the sensemaking process may further initiate metacognitive strategies as individuals more realistically consider potential implications to fellow employees and the organization. Thus, the final set of hypotheses:

H3a: Communicating industry/field ethical issues with moral intensity will result in better overall ethical decision-making.

H3b: Communicating industry/field ethical issues with moral intensity will result in better follower sensemaking and use of metacognitive reasoning strategies.

H3c: Communicating industry/field ethical issues with moral intensity will result in higher perception of organizational communication effectiveness.

The lack of research in this area leaves it unclear as to how much is too much moral intensity when using a sensemaking process and how these three features work together when combined. It is possible that they will work together to augment one's ability to make sense of ambiguous ethical information. Alternatively, it is possible that utilizing all three may be overkill

in presenting information and impede the ethical decision-making process. Therefore, the following research questions will be specifically assessed.

RQ1: How will type of ethical information, industry/field constraint information, and moral intensity information jointly influence ethical decision-making?

RQ2: How will type of ethical information, industry/field constraint information, and moral intensity information jointly influence follower sensemaking and use of metacognitive reasoning?

RQ3: How will type of ethical information, industry/field constraint information, and moral intensity information jointly influence perception of organizational communication effectiveness?

Method

Sample and Procedures

Undergraduates at a large, public, southwestern university volunteered to participate in a two-hour marketing study in exchange for research credit. Prior to analyses, data were reviewed for quality, where findings indicated the need to remove 2 participants that did not pass attention checks. This reduced the sample to $N = 194$. The final sample consisted of 109 women and 85 men, with an average age of 19.5 and approximately 2.82 years of work experience.

This study utilized a 2 (codes of conduct or an ethical narrative) x 2 (codes of conduct absent or present) x 2 (moral intensity absent or present) full factorial between-subjects design. To examine the relationships between the variables of interest, an online survey was created and administered online via Qualtrics. The survey took approximately one hour to complete. The study prompted participants to take on the role of a team leader on a research and competitive analysis marketing team within the coffee marketing division of an organization. Vignette

scenario studies have regularly been used in researching organizational variables of interest, and accordingly, best practices for developing and implementing low-fidelity simulations, as defined by Aguinis and Bradley (2014) were attended to in the present endeavor. Among other factors, multiple layers of contextual information were provided, while simultaneously limiting the number of vignettes given, as well as the usage of covariate measures. Study materials were administered by trained undergraduate research assistants who were blind to the study's hypotheses.

After completing the online informed consent to participate in the study, participants completed a set of timed covariate measures before being given background information about their role in the study (See Appendix A). Next participants were asked to complete the experimental task which involved being given a company newsletter in which a combination of manipulations for each experimental condition was embedded within each (see Appendices B - E), after which participants were given background information related to the ethical decision-making task (see Appendix F). The ethical decision-making measure was posed as a final task in which participants were asked to respond to a number of questions before developing a plan and communicating the results of a set of marketing focus groups for an important coffee campaign, after which there is the possibility of a promotion (see Appendix G). Following these tasks, participants completed untimed covariate measures and were debriefed.

Manipulations

The experimental manipulations (see Appendices B-E) were developed by the author and embedded within page two of a quarterly organizational newsletter (see Appendix A for full newsletter). Each newsletter contained manipulations for each of the eight experimental conditions.

Type of Communication

Codes of conduct and an ethical narrative were embedded into a quarterly organizational newsletter for the respective condition and offered as a list of typical organizational don'ts or a story about troubles that occurred in organizational history (see Appendix C).

Industry/Field Related Constraints

Relevant industry and field related constraints was manipulated as final thoughts from organizational leadership. The no constraints conditions received final thoughts that were related to the information presented in page one of the company newsletter. The constraints condition received final thoughts related to marketing pressures that are typically experienced during certain times of the year (see Appendix D).

Moral Intensity

Moral intensity was manipulated as an announcement from leadership. The no moral intensity condition received an announcement about an organizational survey investigating the things that will enable employees to perform better and the moral intensity condition received an announcement discussing the results of an industry-wide survey that details the moral intensity information (see Appendix E).

Dependent Variables

Due to time constraints, ratings for dependent variables were evenly divided between two sets of three raters, after which, random-effects intraclass correlations were calculated for each dependent variable. Six trained raters who were blind to the study's hypotheses and experimental conditions coded participant' final presentation across twenty-two dependent variables. Prior to beginning the ratings project, judges participated in a training program in which they were familiarized with benchmark rating scales and operational definitions for each dependent

variable. After practicing on a small set of variables, judges met to discuss ratings and resolve discrepancies. One-way random effects intraclass correlation (ICC) estimates and their 95% confidence intervals (CI) were calculated using SPSS statistical package 24 (SPSS Inc, Chicago, IL) based on a mean-rating (k = 6), absolute agreement, one-way random-effects model. While initial interrater reliabilities within each group of raters met a threshold of .70 for most of the variables, final reliabilities for ICCs were lower than this threshold for 84% of the rated variables. Closer inspection of ratings showed that one of the raters in each group was consistently not agreeing with the other two raters. Consequently, these two raters were dropped, and reliabilities were rerun with the top two raters within each group and resulting ICCs improved substantially (k = 4). Final ICCs range from .78-.89, thus based on the 95% CI of each respective ICC, indicate good reliability (Koo & Li, 2016; McGraw & Wong, 1996; Shrout & Fleiss, 1979) and are listed with each dependent variable.

Sensemaking Variables

Sensemaking, a form of complex cognition, occurs when individuals attempt to make sense of complex, ill-defined, and ambiguous events (Mumford et al., 2008). Sensemaking involves developing an understanding of the information acquired in events where the information gatherer is receiving complex and ambiguous information and has been shown to contribute to better problem solving and ethical decision making (Caughron et al., 2011; Mumford et al., 2008). The following ten sensemaking variables were rated on a five-point scale that ranged from 1 (participant did not consider the variable at all) to 5 (participant considered the variable to a great extent).

Causal Analysis. Causal analysis refers to the identification of key causes of a problem when generating solutions to that problem (Marcy & Mumford, 2007). Two components of

causal analysis, problem recognition and criticality of causes, were rated on a five-point scale ranging from 1 (participant did not consider or identify the variable at all) to 5 (participant considered or identified the variable to a great extent), while number of causes identified was rated on a continuous scale.

Problem Recognition. Problem recognition refers to the extent to which the participant identified the critical aspects of the ethical dilemma. The ICC for problem recognition was .87.

Number of Causes Identified. This variable is defined as the total number of distinct causes related to the ethical problem identified by participants and was assessed by a numerical count of the listed causes. The ICC for number of causes was .82.

Criticality of Causes. Criticality of causes refers to the importance or relevance of the causes identified to the ethical dilemma. ICC for criticality of causes was .79.

Constraint Analysis. Constraint analysis refers to the identification and examination of key constraints of a problem when generating solutions to that problem (Hershey, Walsh, Read, & Chulef, 1990). The two components of constraint analysis were rated on a five-point scale ranging from 1 (participant did not consider the variable at all) to 5 (participant considered the variable to a great extent).

Constraint Breadth. Breadth of constraints refers to the extent to which the considered constraints cover a large number of factors (e.g., personal, situational) and elements (e.g., people, tasks, groups). The ICC for breadth of constraints was .78.

Constraint Criticality. This variable is defined as the importance or relevance of the constraints tied to the ethical problem, or in other words, the extent to which the identified constraints represent an obstacle to effective decision-making within the ethical problem. The ICC for criticality of constraints was .78.

Forecast Analysis. Forecast analysis refers to the mental simulation of future actions or outcomes of actions (Mumford, Schultz, & Osburn, 2002; Mumford et al., 2001). The five components of forecast analysis were rated on a five-point scale ranging from 1 (participant did not consider the variable at all) to 5 (participant considered the variable to a great extent).

Short-term Timeframe. Short-term forecast timeframe refers to the extent that the participant considered or mentioned short-term outcomes. The ICC for short-term timeframe was .89.

Long-term Timeframe. Long-term forecast timeframe refers to the extent that the participant considered or mentioned long-term outcomes. The ICC for long-term timeframe was .81.

Positivity of Forecast. Forecast positivity is characterized by the extent to which participants considered or mentioned positive outcomes. The ICC for forecast positivity was .85.

Negativity of Forecast. Forecast negativity is characterized by the extent to which the participant considered or mentioned negative outcomes. The ICC for forecast negativity was .85.

Quality of Forecast. Forecasting refers to the mental simulation of future actions or outcomes of actions (Mumford, Schultz, & Osburn, 2002; Mumford, Schultz, & Van Doorn, 2001). This variable is defined as the extent to which forecasts displayed detail, relevance to the scenario, considered critical aspects of the scenario, and were realistic. The ICC for quality of forecast was .88.

Overall Ethicality. This variable is defined as the degree to which the participant's decision and actions taken represent ethical principles, norms, and codes of conduct within manipulations. The ICC for overall ethicality was .79.

Metacognitive Reasoning Strategy Variables

Throughout the sensemaking process, metacognitive reasoning strategies are used and have been shown to assist in the ethical decision-making process (Kligyte, Marcy, Sevier, Godfrey, & Mumford, 2008). Seven metacognitive reasoning strategies will be rated in this study. A total of six metacognitive reasoning strategies were rated on a five-point scale ranging from 1 (participant did not consider the variable when making their decision at all) to 5 (participant considered the variable when making their decision to a great extent).

Recognizing Circumstances. Recognizing circumstances is a sensemaking strategy characterized by demonstrating knowledge of the current social, organizational, and political climates, knowledge of threats and opportunities a situation poses, and anticipation of both personal and institutional outcomes. This variable is defined as thinking about the origins of the ethical problem, individuals involved, and relevant principles, goals, and values. The ICC for recognizing circumstances was .81.

Asking for help. This variable is defined as talking with a supervisor, peer, or institutional resource, or learning from others' behaviors in similar situations, as well as investigating and learning from what others have done in similar past situations. Additionally, it consists of seeking outside information, including rereading information and requesting outside information. The ICC for asking for help was .80.

Anticipating Consequences. This variable is defined as thinking about many possible outcomes such as consequences for others, and short-term and long-term outcomes based on possible decision alternatives. It not only includes thinking about the consequences for themselves, but also consequences operating at multiple levels (individual, peers, organizational, societal, etc.). Finally, it considers the potential strengths and weaknesses of the outcomes of the decision and weighs their results. The ICC for anticipating consequences was .84.

Questioning One's Own Judgment. This variable is defined as considering reasoning errors that people often make when making ethical decisions, remembering that decisions are seldom perfect. It includes considering the situation from different angles/perspectives and multiple processes and solutions to come to a conclusion, acknowledging the inherent pressure of the situation, and considering how their beliefs, values, and emotion might have affected their interpretation of the situation and decision. The ICC for questioning one's own judgment was .83.

Looking Within. This variable is defined as considering one's own biases, effects of one's values and goals, and how to explain/justify one's actions to others. This considers whether one is acting out of self-interest and questions one's ability to make an ethical decision in a given situation. The ICC for looking within was .84.

Considering Others' Perspective. This variable is defined as being mindful of others' perceptions, concerns, and the impact of personal actions on others, socially and professionally. This includes considering others' motives, goals, and values, considering the problem from others' points of view, and considering a potential solution from others' points of view. The ICC for considering others' perspective was .84.

Moral Intensity Variables

Moral intensity is an individual's perception of the criticality of a moral situation (Jones, 1991). The following five components of moral intensity were rated on a five-point scale that ranged from 1 (participant did not consider the variable at all) to 5 (participant considered the variable to a great extent).

Magnitude of Consequences. Magnitude of consequences is the total amount of harm resulting from a given act or behavior. As the amount and degree of harm increase, the moral intensity increases. The ICC for magnitude of consequences was .78.

Temporal Immediacy. Temporal immediacy is the length of time between the unethical act or behavior and the onset of consequences of the act or behavior. A shorter duration between the unethical act and the resulting consequences equates to a greater level of moral intensity. The ICC for temporal immediacy was .89.

Social Consensus. Social consensus is the degree of social agreement about the ethicality of the act or behavior in question. The greater amount of agreement that a given act is wrong, the greater the moral intensity. The ICC for social consensus was .83.

Probability of Effect. Probability of effect is the likelihood that an act or behavior will take place and result in harm or benefit. An increased likelihood of an act taking place and causing harm equates to a greater level of moral intensity. The ICC for probability of effect was .85.

Proximity. Proximity refers to the cultural, social, psychological, or physical closeness of a moral agent to the target victim or beneficiary. As moral intensity increases, closeness increases. The ICC for proximity was .87.

Perceived Effectiveness of Organizational Communication

This variable is defined as the participants' perception of the effectiveness of leader communication. After completing the ethical decision-making task, participants were asked to complete the scale of perceived organizational communication effectiveness (adapted from Canary & Spitzberg, 1987) (See Appendix H). This 5-item scale asks participants to rate perceptions of the communication related to content and appropriateness. Items were rated on a

scale ranging from 1 (strongly disagree) to 7 (strongly agree). Cronbach's alpha was acceptable at .86.

Covariate Measures

Covariates included English as a 1st language, intelligence, need for cognition, narcissism, and news exposure. Participants also provided demographic information related to the number of years/months worked in their job, gender, ethnicity, English spoken as a first language Y/N, college GPA, ACT score, year in college, number of psychology classes taken, and number of marketing classes taken.

EAS and English as a First Language

Participants were asked to complete the verbal reasoning scale of Ruch and Ruch's (1980) Employee Aptitude Survey (EAS) as a measure of intelligence. Intelligence was assessed because research shows a significant relationship between intelligence and idea generation (Mumford & Gustafson, 1988). Participants were given five minutes to work through this 30-item measure that contains six sets of facts, each set accompanied by a set of conclusions, with the instruction to mark whether each conclusion is "true", "false" or "uncertain" given the set of presented facts. Cronbach's alpha was acceptable at .76.

English as a first language was assessed because this type of task is cognitively demanding and research shows that language is not only a social construct, but there are cultural differences that create more complexity and higher cognitive demand when engaging in tasks that are cognitively demanding. When using a second language the tasks are without context, thus increased in difficulty (I & De Araujo, 2019). Participants were asked to respond to a Yes/No prompt asking if English was their first language.

Need for Cognition

The extent to which an individual is intrinsically motivated to solve complex problems is measured as need for cognition, and was assessed using Cacioppo et al's., (1984) Need for Cognition scale. This scale consisted of 18 statements (e.g., "I prefer complex problems to simple problems") to which participants indicated their level of agreement on a 7-point Likert scale (1 = strongly disagree, 7 = strongly agree). Cronbach's alpha for this scale was acceptable at .81

Narcissism

A measure for narcissism was included, as past research has shown a relationship between narcissism and unethical behavior (Mumford et al., 2008; Levine, 2005) and was assessed using the Psychological Entitlement and State-Trait Grandiose Scale developed by Campbell et al (2004). Participants were asked to respond to two parts of this scale. The first part consisted of 9 questions (e.g., "People like me deserve an extra break now and then") on a 6-point Likert scale (1 = strongly disagree, 6 = strongly agree). The second part consisted of 16 words and phrases to describe different personal qualities (e.g., "perfect", "prominent", envied") in which participants were prompted to indicate on a 6-point Likert scale (1 = strongly disagree, 6 = strongly agree) the extent to which each word described them. Cronbach's alpha was acceptable at .91.

News Exposure

Due to the fact that manipulations were embedded in a newsletter, and the decision-making task was made after being given a one-page report on focus group findings, news exposure and a need for news measure was taken. This measure was made up of two separate components. First, participants were asked to estimate the number of times and amount of time spent engaged in each of the following activities: (1) reading the newspaper, (2) reading news

magazines, (3) watching news programs on television, (4) listening to news programs on the radio, and (5) reading the news on the Internet. The exposure estimate was computed as the number of times multiplied by the amount of time spent within each source (minutes/week). Participants were then asked to list sources of information most often used. Second, participants completed a Need for Orientation Towards News Media scale, which is an 11-item measure developed by Matthes (2006) describing the participant's inclination to engage in news-seeking activity (e.g., "I want to be instantly informed about recent developments"). Cronbach's alpha was acceptable at .77.

Manipulation Checks

In order to assess whether the three manipulations had the intended effect, a set of five questions was developed for each manipulation and administered after all measures were taken. Each short survey assessed whether participants recognized the communication presented as ethical information, the presence or absence of industry/field constraints, and the presence or absence of moral intensity in the newsletter.

Type of Communication of Ethical Information

Five questions, rated on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree), were created to assess the nature of communication of ethical information manipulation. Three questions were designed to assess the codes of conduct manipulation and two questions were aimed to assess the ethical narrative condition. Each set of questions was then averaged to create one score per manipulation. Cronbach's alpha for both sets of questions were acceptable at .80 for the first set of three questions, and .74 for the second set of two questions.

Industry/Field Constraints

Five questions, rated on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree), were created to assess the constraints manipulation. The questions were created to assess whether or not participants recognized that they were receiving information related to industry/field constraints, pressures, types of things that may impede work performance, or not. The five questions were then averaged into one composite score to be analyzed. Cronbach's alpha was acceptable at .72.

Moral Intensity

Finally, five questions, rated on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree), were created to assess the moral intensity manipulation. The questions were created to assess whether or not participants recognized that they were receiving information in the newsletter related to potential consequences or outcomes of acting against the ethical information that was provided in the newsletter. The five questions were then averaged into one composite score to be analyzed. Cronbach's alpha was acceptable at .81.

Data Analysis

Several types of analyses were conducted for this study and all were conducting using IBM SPSS Statistics (Version 24) data analytics software. First, independent samples t-tests were conducted to compare condition means on the manipulation check scales. Second, means, standard deviations, and correlations were calculated for all covariates and dependent variables to inform selection of covariates for hypotheses testing. Hypotheses and research questions were tested in a series of multivariance analysis of covariance analysis (MANCOVA) and analysis of covariance (ANCOVA) tests. Three MANCOVAs were conducted, one for the sensemaking processes, one for the metacognitive reasoning strategy skills, and one for the moral intensity variables. Significant MANCOVAs (determined by a significant Wilks λ) were then followed up

using univariate factorial ANCOVAs. All five covariates were initially entered into each ANCOVA and covariates that were significantly related (i.e., $p < .05$) to any of the dependent variables were retained (Antonakis & Deitz, 2011).

Results

Descriptive statistics, correlations, and reliabilities for rated dependent variables can be found in Table 1. Although a number of demographics and covariates were measured, only five showed statistically significant relationships with the dependent variables, intelligence, English as a first language, need for cognition, narcissism, and need for news. Initial MANCOVA tests were conducted with the above-listed covariates, and only those that showed significant results were included in subsequent analyses. All covariates used in each analysis are listed in the results tables. Guidance for estimating effect sizes propose that partial eta-squared values of .01, .06, and .14 indicate small, medium, and large effect sizes (Cohen, 1988; Lakens, 2013; Morris & Fritz, 2013). This guidance was applied interpreting significant and marginally significant results of all ANCOVAs.

Manipulation Checks

Nature of Communication of Ethical Information

Independent samples t-tests were conducted to test whether participants recognized the intended manipulations. Analyses on questions aimed to assess the presence of ethical codes in the communication of ethical information manipulation indicated a significantly higher means in the codes of conduct condition ($M = 3.92$, $SD = .91$) than the ethical narrative condition ($M = 3.43$, $SD = .88$), $t(193) = 3.80$, $p = .000$. For questions designed to measure the presence of the ethical narrative in the communication of ethical information, analyses indicated that participants exposed to the narrative format manipulation score higher in their mean response ($M = 3.57$, SD

= 1.05) than the codes of conduct condition (M = 3.28, SD = 1.21), although this difference did not reach statistical significance $t(193) = 1.75$, $p = .08$, participants receiving codes of conduct rated codes as being present more significantly more than participants in the narrative condition, suggesting that participants perceived differences in the nature of communication of ethical information.

Constraints

The composite score designed to evaluate the constraints manipulation indicated no statistically significant difference between the no industry/field constraints (M = 3.69, SD = .66) and the industry/field constraints present condition (M = 3.75, SD = .88), $t(193) = .614$, $p > .05$. Although the mean is higher in the constraints present condition, the non-significant t test indicates that participants did not report significantly different perceptions of constraints.

Moral Intensity

Using an average of the five questions intended to measure whether the moral intensity manipulation functioned as intended, an independent samples t-test showed that participants in the moral intensity present condition scored significantly higher (M = 3.47, SD = .94) than the no moral intensity present condition (M = 2.99, SD = .85), $t(193) = 3.70$, $p = .000$. The analysis suggests that the moral intensity manipulation was perceived as intended.

Hypothesis Testing and Research Questions

The hypotheses focused on main effects and a those that were supported will be noted in the sections below. However, results did show a number of significant interactive effects pertaining to the research questions of how the boundary conditions and moral intensity jointly influence the effects of communicating ethical information using codes of conduct or through ethical narratives

Overall Ethical Decision-Making

ANCOVA testing showed no significant difference in ethical decision-making scores between the ethical codes and ethical narrative conditions, or the moral intensity present or not conditions, respectively. Participants did not score significantly higher in ethical outcomes in either type of communication of ethical information or moral intensity conditions. Further details about significant results are below, and findings related to research question 1 are further elaborated in the discussion section. These findings suggest that hypotheses 1a and 3a were not supported. See Table 2 for ANCOVA results.

ANCOVA testing indicated a statistically significant difference for industry/field constraints present, while controlling for intelligence, ($F(1,185) = 5.141$, $p < .05$, $\eta_p^2 = .03$) in overall ethicality of decision. Examination of means showed that the presence of industry/field constraints resulted in higher overall ethicality averages in the decision-making task ($M = 2.86$, $SE = .08$) compared to information given with no industry/field constraints ($M = 2.61$, $SE = .08$). These findings offer support for hypothesis 2a.

ANCOVA results also indicated a significant two-way interaction between constraints and moral intensity on overall ethicality, while controlling for intelligence $F(1,185) = 3.91$, $p < .05$, $\eta_p^2 = .021$. Pairwise comparisons using a Bonferroni corrections found higher mean differences in overall ethicality for conditions with both industry/field constraints and moral intensity present, ($M = 2.91$, $SE = .11$), presence of industry/field constraints with no moral intensity included ($M = 2.81$, $SE = .11$), and no industry/field constraints present and no moral intensity included ($M = 2.78$, $SE = .11$), than no industry/field constraints present and moral intensity information included, ($M = 2.45$, $SE = .11$). See Figure 1.

Sensemaking Outcomes

A three-way MANCOVA was conducted to explore the overall multivariate effect of communication type, constraints, and moral intensity on the set of sensemaking variables after controlling for English as a first language, intelligence, and narcissism. There was a medium effect between type of communication, presence of industry/field constraints, and presence of moral intensity on the sensemaking variables, $F(30, 511.40) = 1.71$, $p = .012$, Wilks $\lambda = 0.75$, $\eta_p^2 = 09$. These results indicated the need for follow-up three-way ANOVAs and ANCOVAs and post hoc analyses to examine specific main and interactive effects on each sensemaking process. Hypothesis 2b proposing the positive impact of constraints on the sensemaking process was supported. Further details about significant and marginally significant results are detailed below, and findings related to sensemaking variables and Research Question 2 are further elaborated in the discussion. See Tables 3 and 4 for ANOVA and ANCOVA results.

Problem Recognition. ANOVA results showed a marginal interactive effect of type of communication and presence of constraints on problem recognition, $F(1,186) = 3.08$, $p = .08$, $\eta_p^2 = .02$. Pairwise comparisons using Bonferroni corrections show higher problem recognition for individuals given codes of conduct and information related to industry/field constraints ($M = 2.92$, $SE = .14$), an ethical narrative and no constraints ($M = 2.84$, $SE = .14$), and an ethical narrative and constraints ($M = 2.72$, $SE = .14$), than individuals given codes of conduct with no industry/field constraints ($M = 2.56$, $SE = .14$). See Figure 2.

Number of Causes Identified. ANOVA results yielded a marginally significant main effect for the presence of constraints on number of causes identified, $F(1,186) = 3.07$, $p = .08$, $\eta_p^2 = .02$, such that means for number of causes identified were higher for conditions that were given information about industry/field constraints ($M = 2.47$, $SE = .08$) than those that were not

given any industry/field constraints (M = 2.27, SE = .08), which provided partial support for hypothesis 2b.

Constraint Breadth. ANCOVA results showed a small interactive effect of type of communication, presence of constraints, and moral intensity on constraint breadth after controlling for intelligence, $F(1,185) = 3.68$, $p = .05$, $\eta_p^2 = .02$. Post hoc analysis showed a broader number of constraints listed for participants given codes of conduct, industry/field constraints, and no moral intensity information (M = 2.72, SE = .16) and an ethical narrative, no industry/field constraints present, and no moral intensity information given (M = 2.53, SE = .16), than those given an ethical narrative, no industry/field constraints, and moral intensity information (M = 2.12, SE = .15), codes of conduct with industry/field constraints present, and moral intensity information (M = 2.36, SE = .15), codes of conduct with no industry/field constraints present, and no moral intensity information (M = 2.36, SE = .16), an ethical narrative, industry/field constraints present, and moral intensity information (M = 2.44, SE = .15), codes of conduct, no industry/field constraints, and moral intensity information (M = 2.46, SE = .15), and an ethical narrative, industry/field constraints present, and no moral intensity information (M = 2.47, SE = .16). See Figures 3 and 4.

Constraint Criticality. ANCOVA testing showed a marginal main effect for moral intensity on constraint criticality after controlling for intelligence, $F(1,185) = 2.93$, $p = .08$, $\eta_p^2 = .02$. Constraints higher in criticality to the decision-making task were listed by conditions that were given moral intensity information (M = 2.57, SE = .08) than conditions given no moral intensity information (M = 2.37, SE = .08), a trend consistent with hypothesis 2b.

Negativity of Forecast. ANOVA testing results approached significance for a two-way interaction between communication and constraints, $F(1,186) = 3.55$, $p = .06$, $\eta_p^2 = .02$. Post hoc

comparisons showed more negative forecasting for participants given codes of conduct and industry/field constraints present (M = 2.75, SE = .11) and an ethical narrative and no industry/field constraints present (M = 2.62, SE = .11), than those given codes of conduct with no industry/field constraints present (M = 2.44, SE = .11) or an ethical narrative with industry/field constraints present (M = 2.50, SE = .11). See Figure 5.

Quality of Forecast. ANCOVA testing showed a significant two-way interaction effect for communication and constraints after controlling for need for cognition and narcissism, $F(1,184) = 4.62$, $p = .03$, $\eta_p^2 = .02$. Post hoc comparisons show higher quality forecasting for conditions given codes of conduct with industry/field constraints, (M = 2.87, SE = .11) and an ethical narrative and no industry/field constraints included, (M = 2.84, SE = .11) than when given codes of conduct and no industry/field constraints, (M = 2.58, SE = .11) and an ethical narrative and industry/field constraints included, (M = 2.66, SE = .11). See Figure 6.

Metacognitive Reasoning Strategy Outcomes

A three-way MANCOVA was conducted to explore the multivariate effect of communication type, constraints, and moral intensity on the set of metacognitive reasoning strategy variables after controlling for English as a first language, intelligence, and need for cognition. There was a statistically significant interaction effect between type of communication, presence of industry/field constraints, and presence of moral intensity on the combined metacognitive reasoning strategy variables, $F(24, 618) = 1.71$, $p = .006$, Wilks $\lambda = 0.78$, $\eta_p^2 = .07$. These results indicated the need for follow-up ANOVAs and ANCOVAs to examine specific main and interactive effects on each metacognitive reasoning strategy. Hypothesis 2b proposing the positive impact of constraints on the use of metacognitive reasoning strategies was supported. Further details about significant and marginally significant results are below, and

findings related to metacognitive strategy variables and research question 2 are further elaborated in the discussion section. See Table 5 for ANCOVA results.

Recognize Circumstances. ANOVA testing showed a significant main effect for constraints after controlling for English as a 1st language and narcissism, $F(1,184) = 3.87$, $p = .05$, $\eta_p^2 = .02$. Participants showed higher recognition of their circumstances in the industry/field constraints present condition, ($M = 2.68$, $SE = .07$) than the participants in the no industry/field constraints present condition ($M = 2.47$, $SE = .07$). This finding provided partial support for hypothesis 2b

Question Judgment. ANCOVA testing showed a marginal three-way interaction for questioning judgment after controlling for intelligence and narcissism, $F(1,184) = 2.89$, $p = .09$, $\eta_p^2 = .02$. Initial results suggest a trend toward differences between groups in questioning of judgment, however, post hoc testing revealed no significant differences between groups.

Anticipate Consequences. ANCOVA results showed a marginal two-way interaction of type of communication and moral intensity after controlling for intelligence and narcissism, $F(1,184) = 3.15$, $p = .08$, $\eta_p^2 = .02$. Pairwise comparisons using Bonferroni corrections suggest a trend in higher anticipating of consequences for individuals given an ethical narrative and no moral intensity information ($M = 2.58$, $SE = .11$) and individuals given codes of conduct with moral intensity information included ($M = 2.42$, $SE = .10$), than those given an ethical narrative and moral intensity ($M = 2.30$, $SE = .10$), codes of conduct with no moral intensity information ($M = 2.34$, $SE = .10$). See Figure 7.

Look Within. ANCOVA results showed a marginal main effect for constraints after controlling for narcissism, $F(1,185) = 3.01$, $p = .08$, $\eta_p^2 = .02$. Pairwise comparisons using Bonferroni corrections suggest a trend in higher looking within for individuals given

industry/field constraint information (M = 2.19, SE = .08) and individuals given no industry/field constraint information (M = 1.99, SE = .08). This provided partial support for hypothesis 2b.

Considering Others' Perspective. ANCOVA testing showed a significant effect for constraints after controlling for narcissism, $F(1,185) = 3.96$, $p < .05$, $\eta_p^2 = .02$. Means for considering others' perspective were higher in the industry/field constraints present condition, (M = 2.61, SE = .08) compared to the no industry/field constraints condition (M = 2.39, SE = .08).

Perceived Organizational Communication Effectiveness Outcomes

Examination of ANCOVA results showed no significant difference in perceptions of organizational communication effectiveness scores across any of the manipulated conditions and no support was found for H1c, H2c, or H3c.

Moral Intensity Outcomes

No specific hypotheses were made about the impact of the manipulations on moral intensity outcomes, however, exploratory analysis showed strong relationships among the variables and a three-way MANCOVA explored the impact of communication type, constraints, and moral intensity on the combined set of moral intensity dependent variables. English as a 1st language and intelligence were included in the analysis, which revealed significant multivariate effects $F(24, 618) = 1.71$, $p = .006$, Wilks $\lambda = 0.78$, $\eta_p^2 = .07$. Univariate analyses were conducted to examine specific main and interactive effects on each moral intensity variable. See Table 6 for ANCOVA results.

Magnitude of Consequences. Follow-up univariate testing showed a significant three-way interaction for type of communication, presence of constraints, and moral intensity and magnitude of consequences after controlling for English as a 1st language, $F(1,185) = 3.72$, $p = .05$, $\eta_p^2 = .02$. Tukey post hoc test with a Bonferroni adjustment showed higher means of

magnitude of consequences related to their final task response for participants given codes of conduct, industry/field constraints included, and moral intensity information included (M = 2.85, SE = .14), an ethical narrative with industry/field constraints included, and no moral intensity information (M = 2.74, SE = .15), and an ethical narrative, no industry/field constraints included, and moral intensity information included (M = 2.72, SE = .14), than participants given an ethical narrative, industry/field constraints included, and moral intensity information included (M = 2.37, SE = .14), codes of conduct, no industry/field constraints included, and moral intensity information included (M = 2.41, SE = .14), codes of conduct, no industry/field constraints included, and no moral intensity information (M = 2.49, SE = .14), an ethical narrative, no industry/field constraints included, and no moral intensity information included (M = 2.59, SE = .14), and codes of conduct, industry/field constraints included, and no moral intensity information included (M = 2.65, SE = .14). See Figures 8 and 9.

Social Consensus. ANOVA results showed a three-way interaction between type of communication, presence of industry/field constraints, and presence of moral intensity on social consensus after controlling for English as a 1st language and intelligence, $F(1,184) = 4.54$, $p < .05$, $\eta_p^2 = .02$. Post hoc testing indicated that participants showed higher social consensus in their final decision responses when codes of conduct were given and both industry/field constraints and moral intensity were present, (M = 3.03, SE = .12) compared to those given an ethical narrative, industry/field constraints, and no moral intensity (M = 2.76, SE = .13), codes of conduct, with no industry/field constraints present, and moral intensity included (M = 2.75, SE = .12), an ethical narrative, industry/field constraints present, and moral intensity present (M = 2.71, SE = .12), codes of conduct, no industry/field constraints present, and no moral intensity (M = 2.71, SE = .12), an ethical narrative, no industry/field constraints present, and moral

intensity (M = 2.69, SE = .12), an ethical narrative, no industry/field constraints present, and no moral intensity (M = 2.57, SE = .12), and codes of conduct with industry/field constraints and no moral intensity, (M = 2.40, SE = .12). See Figures 10 and 11.

Probability of Effect. ANCOVA testing showed a marginally significant effect for constraints after controlling for need for cognition, $F(1,185) = 3.28$, $p = .07$, $\eta_p^2 = .02$. Means for probability of effect were higher in the industry/field constraints present condition (M = 2.84, SE = .06) compared to the no industry/field constraints condition (M = 2.68, SE = .06).

Discussion

The purpose of this study was to gain a better understanding of the impacts of communication type for ethical information from organizations to employees, as well as ways other types of information might enhance the understanding and effectiveness of that material. Specifically, this study aimed to explore the ways organizations may choose to communicate ethical information, along with two boundary conditions to determine whether or not type of information, presence of constraints, and moral intensity information as well as their interactive effects, result in higher ethical decision-making and better decision-making processes. Although codes of conduct and storytelling have been studied in ethical decision-making literature for years, this study is the first to investigate how relevant industry or field constraints and moral intensity interact in their effectiveness. These aims were investigated utilizing a fairly novel vignette study to engage participants.

This study's findings offered multiple interesting insights into organizational communication of ethical information. First, overall ethical decision-making was influenced by including industry/field constraints pertaining to ethical decisions in a company newsletter regardless of whether ethical codes of conduct or ethical narratives were used as a vehicle for

communicating ethical guidance. Second, including industry/field relevant constraints also resulted in better recognition of circumstances, looking within, and considering others' perspectives, important metacognitive strategies that facilitate the ethical decision-making process. (Brock et al., 2008; Antes et al., 2010).

An interesting pattern of findings emerged with the ethical sensemaking processes, where constraint information played a key role and improved ethical sensemaking when presented after ethical codes of conduct were described. Interestingly, narrative ethical guidelines had a better impact on ethical sensemaking when constraint information was not provided, suggesting a multi-layered complex format for communicating ethical information may be too much for individuals to take in, process, and effectively use (Bagdasarov et al., 2013; Thiel et al., 2013).

Somewhat surprisingly, there were no significant differences in ethical decision-making, sensemaking processes, and metacognitive reasoning for either ethical codes of conduct or an ethical narrative. This was surprising because, as hypothesized, using an ethical narrative was expected to communicate the codes in a contextualized way and increase the effectiveness of the ethical information in decision-making processes. Both forms of ethical information, when embedded in a newsletter offering contextual information about the organization, appear to offer valuable guidance, ethics-related or otherwise, that people are capable of processing and applying. However, the two boundary conditions explored in this study functioned differentially between these ethical communication forms.

Another interesting pattern was the influence of the moral intensity manipulation on participants' ethical problem solving. Participants given moral intensity information identified constraints higher in criticality and gave more attention to social consensus in their ethical decisions compared to those not given any moral intensity information. When moral intensity

information related to magnitude of consequences and social consensus were given to participants, both carried through into final decision responses. This finding is important, because if organizations want followers to be aware of the impact of potential consequences and make decisions that consider organizational values, moral intensity information should be made salient across the organization. Additionally, conditions that included moral intensity information listed constraints in their responses that were more highly related to the ethical problem. They also showed significantly higher moral intensity in their final responses, which was not expected. It appears that when information is given related to consequences that can happen and agreement is expressed, the information influences or triggers moral intensity for the individuals that factors into their final decisions.

Participants that were given constraints, in general, showed higher ethicality in their responses, recognized that there was an ethical problem present, listed a higher number of causes related to the problem, as well as a broader number of pressures present, lending support for hypotheses 2a and 2b. They also had higher quality and more negative forecasts; two processes linked to higher ethical decision-making (Stenmark, 2013; MacDougall et al., 2014). Finally, the presence of constraints influenced participants expression of the likelihood of consequences happening given their decision (i.e., probability of effect), such that they expressed there was a higher probability of the consequences occurring in light of a given decision.

The forecast analysis results were interesting because it shows an "it depends" finding. It depends on the type of communication being given, such that participants given codes of conduct and constraints showed higher quality and more negative forecasts than participants given an ethical narrative with no constraints.

Theoretical and Practical Implications

This study bears both theoretical and practical importance. First, this study offers an updated foundation on which theory in codes of conduct and organizational decision-making processes can build. Results showed significant interactions for all three variables related to decision-making outcomes, and opens the door for more research into how, why, and when type of communication of ethical information matters, and ways to amplify ethical information by including constraints and moral intensity. Findings showed that both sensemaking and metacognitive reasoning strategy processes were influenced by communication, constraints, and moral intensity, which suggests the extra information provided in either type of communication, activates important decision-making mechanisms.

Theories of ethical sensemaking may want to reconsider the value of ethical codes and the boundary conditions that make them more or less effective. If well-planned and executed, codes can be valuable for activating processes critical to ethical decision-making. Findings from this study suggest that presenting ethical codes alongside information related to relevant industry pressures and social information plays a role in activating metacognitive and sensemaking processes. Triggering these influential decision-making processes increases the likelihood that an individual sorts through situation-relevant information, reflects on it, and uses it to make higher quality forecasts and better ethical decisions (Stenmark, 2013).

Additionally, case-based ethical narratives may be more beneficial when presented simply, without a lot of additional constraint information. Previous research in the area has shown that including too much rich information in a narrative may overwhelm the cognitive process and reduce the value of the information (Bagdasarov et al., 2013; Thiel et al., 2013). It is possible that constraints may be integrated into the narrative and as part of the story may be

valuable decision-making information, not something that is a separate cognitive load, something that was not tested in the current study.

Finally, metacognitive reasoning appears to be activated by both codes of conduct and a narrative format. Including additional information related to potential pressures or problems individuals may likely face was useful in triggering the metacognitive reasoning process and stimulating participants ability to use critical decision-making strategies.

Practical implications are also important. Unethical behavior is harmful to all members of an organization from top to bottom, and poses negative outcomes for shareholders, stakeholders, employees, and society in general. It is critical for organizations to communicate ethical information to followers not only to prevent ethical misconduct, but more importantly to prevent the potentially disastrous chain of events that follows when unethical behavior occurs (e.g., loss of stakeholder trust, financial impacts, negative public image). Therefore, organizations must understand the most effective ways to communicate ethical information in order to strategically highlight important information that followers should attend to.

Chonko et al., (2002) suggest that codes of conduct are primarily reactive rather than proactive, short-term oriented, descriptive versus reflective, and focused on individual behavior over collective impact and problems may originate from the lack of dynamic of potential scenarios within codes. While those claims may be true for a standalone list of conduct codes, this study refutes the idea and shows the usefulness of including relevant industry pressures and socially relevant information about the impact of misconduct in various ways to address those claims. It is possible that employees are better able to connect the meaning of codes to their day-to-day behavior when the information is field-relevant and given a meaningful and rich context as it is in an organizational newsletter. This may be particularly important for the novice

employee for whom the codes have no meaning; to that individual, they are simply abstract expectations without context.

The flaws Chonko et al. (2002) suggests can be strategically addressed when consideration is given to how ethical information is presented. It may be given via a list of ethical codes or within an ethical narrative. The augmentation of the ethical information appears to occur when relevant industry/field constraints are imposed alongside ethical information. It is possible that highlighting specific areas of ethical risk assists not only an individual's ability to learn the ethical information, but it possibly adds the necessary context to be better prepared for situations where unethical behavior is likely to occur in a particular field.

Limitations and future Directions

Although findings from this study present several important findings in the realm of communication of ethical information in organizations, there are some limitations that should be noted. This study consisted of a fairly small sample size, and although significant effects were found across multiple dependent variables, a larger sample size may have provided more insight into relationships and their significance in the variables of interest. Additionally, despite best efforts to design a realistic vignette, this was a low-fidelity study in one domain of interest, which potentially limits the generalizability of the findings. Aguinis and Bradley (2014) suggest a well-designed vignette to be of good use in similar research, and they are commonly used across multiple types of research in academia and organizations (Lievens & Patterson, 2011). Due to this study's limitations, researchers may choose to replicate this endeavor using a larger sample size along with a higher fidelity simulation across multiple domains.

The interesting "non-finding" in type of communication may be attributable to the novice sample used in this study, which suggests that tenure of employee might have an impact on

success of one type of communication. Future research should consider this to determine the potential differences between employees new to an organization compared to employees who are older or have a longer tenure with the organization. This lack of findings may also be because narrative cases were not long enough or complex enough to show the difference from codes. Due to the experimental nature of the study, cases and codes were created to be similar in length, to ensure that there were no attention effects to threaten internal validity of the findings.

A final limitation that limits the generalizability of the findings is the setting of the study. The vignette was online and posed as emails and an online newsletter, however, a laboratory study potentially limits the external validity due to the disconnect between real-world interactions with people and stressors involved and the attitudes and behaviors in which an individual may engage. The nature of this study does lend itself nicely to realistic workplace settings if investigators are interested in a high-fidelity authentic research related to a particular organization or field.

This study contributes to the codes of conduct literature, which has been lacking in new research, by proposing the importance of using context-rich and meaningful information to amplify ethical information to make it more usable for employees. Overall, these findings demonstrated that type of communication by itself does not impact the effectiveness of ethical information on ethical decision-making, sensemaking, or metacognitive reasoning strategy outcomes. It also offers some insight on mixed findings related to the effectiveness of codes of conduct (Statler & Oliver, 2016) as well as a new light in which to research both codes of conduct and storytelling. Future research should focus on the ways that industry-related constraints and moral intensity interact within codes of conduct or an ethical narrative to understand the mechanisms and boundary conditions by which these variables interact to enable

organizations to better understand the best ways to communicate ethical information to followers.

Conclusion

The goal of this study was to gain a greater insight into the complex nature of communicating ethical information in organizations. This study not only demonstrated that neither codes nor stories are valuable on their own to communicate ethical information, it suggests the criticality of outlining the slippery slope of likely industry/field constraints and their pathway to negative outcomes as a key component in the ethical decision-making process. Another goal of this study was to spark fresh interest in codes of conduct research utilizing manipulations not previously seen in codes of conduct research, and to perpetuate new knowledge and understanding about various ways to augment ethical information to be more effectively used by organizational followers. This study should stimulate further investigation into the area of codes of conduct, which is overdue for fresh research. Although overall results demonstrated that there are a number of ways organizations might successfully communicate ethical information to followers, it is important to remember that communication methods do not function the same way and they must be strategically considered and implemented. Best advice may be summed up in the famous phrase “it just depends”.

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Table 1

Descriptive Statistics and Correlations for Study Variables

	M	*SD*	1	2	3	4	5	6	7	8	9	10
Covariates												
1. English as 1st Language	--	--	--									
2. EAS	24.8	6.88	.03	(.76)								
3. Need for Cognition	4.09	0.40	-.05	-.11	--							
4. Narcissism	3.47	0.85	-.15	-.15*	.15*	--						
5. Need for News 4 Items	4.79	1.07	.02	-.07	.09	.09	(.77)					
Dependent Variables												
6. POCE	3.65	0.62	.02	-.06	.05	-.01	.16*	(.86)				
Sensemaking												
7. Problem Recognition	2.76	0.95	.09	.22**	.02	-.01	.02	.04	(.87)			
8. Number of causes identified	2.37	0.79	.03	.23**	.07	-.03	-.10	-.07	.30**	(.82)		
9. Criticality of causes	2.77	0.83	.00	.29**	-.03	-.03	-.11	.04	.59**	.53**	(.79)	
10. Constraint Breadth	2.43	0.78	.08	.22**	.01	-.08	-.05	-.01	.45**	.37**	.42**	(.78)
11. Constraint Criticality	2.46	0.83	.14	.24**	-.05	-.03	.01	.01	.46**	.32**	.49**	.64**
12. Short-term timeframe	3.17	0.95	.18*	-.01	.05	-.03	-.07	.04	.16*	-.13	.05	-.02
13. Long-term timeframe	2.61	0.82	.08	.18*	-.01	-.09	.00	-.07	.05	.17*	.15*	.27**
14. Positivity	2.77	0.74	.16*	.18*	-.15*	-.06	-.10	.07	.06	.11	.06	.17*
15. Negativity	2.57	0.79	.08	.23**	-.02	-.06	-.04	-.09	.21**	.15*	.26**	.27**
16. Quality	2.74	0.75	.13	.25**	.02	-.19**	-.05	.03	.28**	.21**	.33**	.33**
17. Overall Ethicality	2.73	0.78	.04	.20**	-.06	-.02	.05	.07	.33**	.18*	.35**	.30**
Metacognitive Reasoning												
18. Recognize Circumstances	2.57	0.74	.22**	.20**	-.18*	-.16*	.02	.00	.28**	.18*	.29**	.45**
19. Ask for Help	1.99	0.71	.08	.05	-.15*	-.14	.02	-.11	.04	.07	.09	.21**
20. Question Judgment	2.38	0.67	.15*	.16*	-.06	-.16*	.04	.09	.15*	.05	.11	.35**
21. Anticipate Consequences	2.41	0.74	.04	.27**	-.14	-.09	-.01	-.08	.25**	.22**	.30**	.26**
22. Look Within	2.09	0.78	.12	.22**	-.21**	-.13	.00	-.04	.17*	.25**	.36**	.33**
23. Consider Others' Perspectives	2.49	0.76	.07	.08	-.16*	-.05	-.02	-.05	.09	.07	.25**	.23**
Moral Intensity												
24. Magnitude of consequences	2.60	0.71	.07	.22**	-.04	-.11	-.04	.04	.34**	.23**	.32**	.29**
25. Temporal immediacy	2.80	0.68	.13	-.06	.06	-.09	.08	.08	.05	-.06	.07	-.04
26. Social consensus	2.70	0.62	.17*	.16*	.04	-.10	.01	.15*	.21**	.07	.15*	.12
27. Probability of Effect	2.76	0.62	.01	.14*	.06	-.02	.03	.11	.25**	.07	.22**	.21**
28. Proximity	2.94	0.72	.07	.09	.02	.03	-.16*	-.04	.15*	.20**	.24**	.18*

Note. $N = 196$. Reliabilities presented along diagonals. *Indicates $p < .05$. **Indicates $p < .01$. POCE = perceived organizational communication effectiveness.

Table 1 cont.

Descriptive Statistics and Correlations for Study Variables

	11	12	13	14	15	16	17	18	19	20	21	22
Covariates												
1. English as a 1st Language												
2. EAS												
3. Need for Cognition												
4. Narcissism												
5. Need for News 4 Items												
Dependent Variables												
6. POCE												
Sensemaking												
7. Problem Recognition												
8. Number of causes identified												
9. Criticality of causes												
10. Constraint Breadth												
11. Constraint Criticality	(.78)											
12. Short-term timeframe	.06	(.89)										
13. Long-term timeframe	.14	-.34**	(.81)									
14. Positivity	.24**	.07	.22**	(.85)								
15. Negativity	.20**	.24**	.25**	-.18*	(.85)							
16. Quality	.31**	.25**	.42**	.14	.54**	(.88)						
17. Overall Ethicality	.36**	.12	.13	.03	.25**	.23**	(.79)					
Metacognitive Reasoning												
18. Recognize Circumstances	.49**	.01	.14*	.28**	.20**	.25**	.37**	(.81)				
19. Ask for Help	.25**	-.02	.06	.26**	.07	.04	.21**	.39**	(.80)			
20. Question Judgment	.30**	.07	.10	.23**	.19**	.20**	.22**	.49**	.41**	(.83)		
21. Anticipate Consequences	.32**	-.11	.14	.10	.09	.13	.22**	.52**	.31**	.44**	(.84)	
22. Look Within	.44**	-.11	.13	.23**	.15*	.13	.26**	.56**	.40**	.47**	.51**	(.84)
23. Consider Others' Perspectives	.37**	.01	.13	.16*	.23**	.10	.26**	.42**	.43**	.46**	.35**	.50**
Moral Intensity												
24. Magnitude of consequences	.32**	.08	.17*	.05	.28**	.27**	.54**	.31**	.17*	.30**	.34**	.25**
25. Temporal immediacy	.05	.46**	.02	-.01	.30**	.27**	.18*	.07	.12	.11	-.02	-.01
26. Social consensus	.16*	.16*	.03	.14	.07	.24**	.46**	.28**	.12	.16*	.12	.17*
27. Probability of Effect	.26**	.32**	.13	.16*	.22**	.33**	.34**	.19**	.09	.15*	.10	.06
28. Proximity	.30**	.31**	-.01	-.01	.33**	.34**	.29**	.05	.07	.11	.05	.05

Note. $N = 196$. Reliabilities presented along diagonals. *Indicates $p < .05$. **Indicates $p < .01$. POCE = perceived organizational communication effectiveness.

Table 1 cont.

Descriptive Statistics and Correlations for Study Variables

	23	24	25	26	27	28
Covariates						
1. English as a 1st Language						
2. EAS						
3. Need for Cognition						
4. Narcissism						
5. Need for News 4 Items						
Dependent Variables						
6. POCE						
Sensemaking						
7. Problem Recognition						
8. Number of causes identified						
9. Criticality of causes						
10. Constraint Breadth						
11. Constraint Criticality						
12. Short-term timeframe						
13. Long-term timeframe						
14. Positivity						
15. Negativity						
16. Quality						
17. Overall Ethicality						
Metacognitive Reasoning						
18. Recognize Circumstances						
19. Ask for Help						
20. Question Judgment						
21. Anticipate Consequences						
22. Look Within						
23. Consider Others' Perspectives						
Moral Intensity						
24. Magnitude of consequences	.27**	(.78)				
25. Temporal immediacy	.08	.10	(.89)			
26. Social consensus	.17*	.33**	.25**	(.83)		
27. Probability of Effect	.13	.25**	.36**	.36**	(.85)	
28. Proximity	.10	.18*	.34**	.22**	.29**	(.87)

Note. $N = 196$. Reliabilities presented along diagonals. *Indicates $p < .05$. **Indicates $p < .01$.

Table 2

ANCOVA Results for Overall Ethicality

	Overall Ethicality		
	F	*p*	η_p^2
Corrected Model	2.41	.017	.094
Intercept	106.1	.000	.364
Main Effects			
Constraints	5.14[a]	.025*	.027
Two-Way Interactions			
Constraints*MI	3.91[a]	.049*	.021

Note. N = 194. *Significant at .05. MI = moral intensity, *F* = F-ratio, *p* = significance level, η_p^2 = partial eta-squared effect size estimate. a = after controlling for intelligence.

Table 3

ANCOVA Results for Causal and Constraint Variables

	Problem Recognition			Number of Causes Identified			Constraint Breadth			Constraint Criticality		
	F	*p*	η_p^2	*F*	*p*	η_p^2	*F*	*p*	η_p^2	*F*	*p*	η_p^2
Corrected Model	.874	.528	.032	.549	.797	.020	2.28	.023	.090	2.15	.033	.085
Intercept	1632.1	.000	.898	1703.8	.000	.902	71.8	.000	.279	55.1	.000	.230
Main Effects												
Constraints	--	--	--	3.07	.081[b]	.016	--	--	--			
Moral Intensity	--	--	--	--	--	--	--	--	--	2.93[a]	.089[b]	.016
Two-Way Interactions												
Communication*Constraints	3.08	.081[b]	.016	--	--	--	--	--	--	--	--	--
Three-Way Interactions	--	--	--	--	--	--	3.68[a]	.057	.020	--	--	--

Note. $N = 194$. Dashes indicate where the specific variable was not significant. F = F-ratio, p = significance level, η_p^2 = partial eta-squared effect size estimate, a = after controlling for intelligence, b = approaching significance

Table 4

ANCOVA Results for Forecasting Variables

	Forecast Negativity			Forecast Quality		
	F	*p*	η_p^2	*F*	*p*	η_p^2
Corrected Model	2.14	.034	.085	1.68	.097	.076
Intercept	86.5	.000	.319	18.4	.000	.091
Two-Way Interactions						
Communication*Constraints	2.78[a]	.097[d]	.015	4.62[bc]	.033[*]	.024

Note. N = 194. *Significant at .05. *F* = F-ratio, *p* = significance level, η_p^2 = partial eta-squared effect size estimate. results after controlling for: a = intelligence, b = need for cognition, c = narcissism, d = approaching significance.

Table 5

ANCOVA Results for Metacognitive Reasoning Strategy Variables

	Recognize Circumstances			Question Judgment			Anticipate Consequences			Look Within			Consider Others' Perspective		
	F	*p*	η_p^2	*F*	*p*	η_p^2	*F*	*p*	η_p^2	*F*	*p*	η_p^2	*F*	*p*	η_p^2
Corrected Model	2.17	.026	.096	1.42	.183	.065	2.39	.014	.105	.894	.523	.037	.851	.559	.036
Intercept	82.9	.000	.311	68.1	.000	.270	35.9	.000	.163	106.5	.000	.365	134.8	.000	.422
Main Effects															
Constraints	3.87[ac]	.051	.021	--	--	--	--	--	--	3.01[c]	.085[d]	.016	3.96[c]	.048	.021
Two-Way Interactions															
Communication*MI	--	--	--	--	--	--	3.15[bc]	.078[d]	.017	--	--	--	--	--	--
Three-Way Interactions	--	--	--	2.88[bc]	.091[d]	.015	--	--	--	--	--	--	--	--	--

Note. N = 194. *Significant at .05. Dashes indicate where the specific variable was not significant. MI = moral intensity, *F* = F-ratio, *p* = significance level, η_p^2 = partial eta-squared effect size estimate, results after controlling for: a = English as a 1st language, b = intelligence, c = narcissism, d = approaching significance.

Table 6

ANCOVA Results for Moral Intensity Variables

	Magnitude of Consequences			Social Consensus			Probability of Effect		
	F	*p*	η_p^2	*F*	*p*	η_p^2	*F*	*p*	η_p^2
Corrected Model	1.359	.217	.055	2.91	.003	.125	.982	.451	.041
Intercept	296.7	.000	.616	111.4	.000	.377	21.0	.000	.102
Main Effects									
Constraints	--	--	--	--	--	--	3.28[c]	.072[d]	.017
Moral Intensity	--	--	--	4.70[ab]	.031	.025	--	--	--
Two-Way Interactions									
Communication*Constraints	4.00[a]	.047*	.021	--	--	--	--	--	--
Communication*MI	--	--	--	2.98[ab]	.086	.016	--	--	--
Constraints*Moral Intensity	--	--	--	--	--	--	--	--	--
Three-Way Interactions	3.72[a]	.055*	.020	4.54[ab]	.034	.024	--	--	--

Note. N = 194. *Significant at .05. Dashes indicate where the specific variable was not significant. MI = moral intensity, *F* = F-ratio, *p* = significance level, η_p^2 = partial eta-squared effect size estimate, results after controlling for: a = English as a 1st language, b = intelligence, c = need for cognition, d = approaching significance.

Figure 1

Two-Way Interaction of Constraints and Moral Intensity on Overall Ethicality

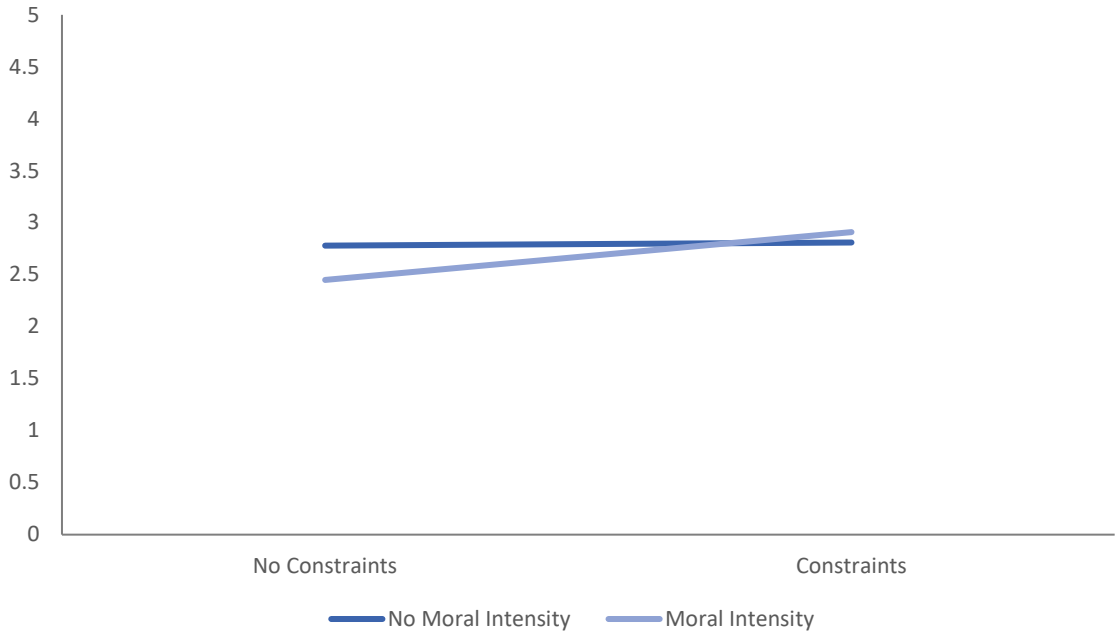


Figure 2

Two-Way Interaction of Type of Communication and Constraints on Problem Recognition

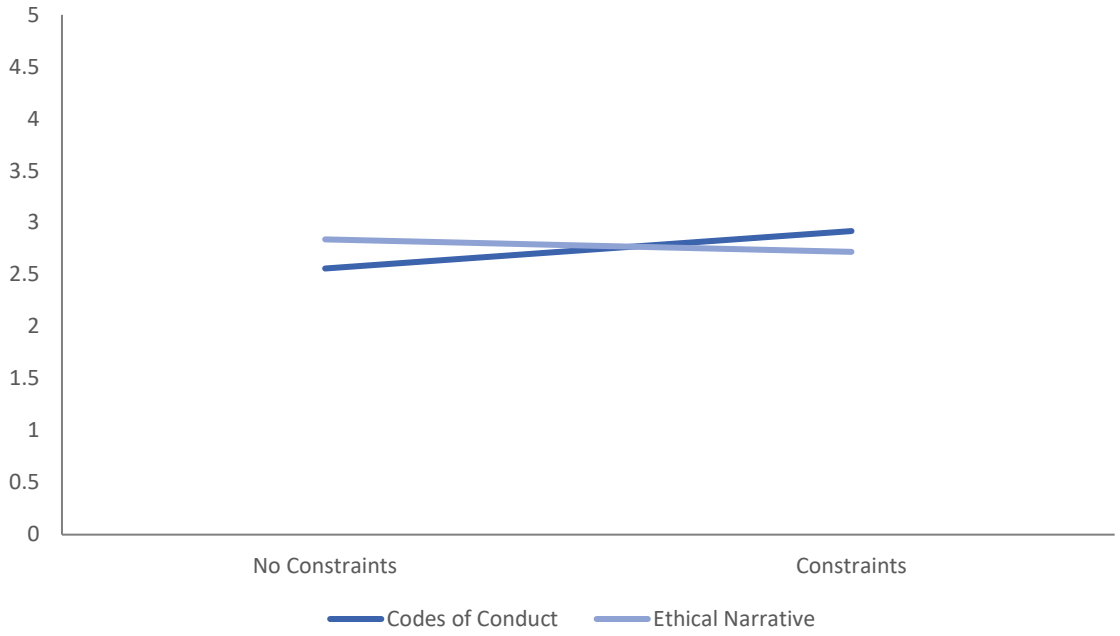


Figure 3

Interaction Results of Codes of Conduct, Constraints, and Moral Intensity on Constraint Breadth

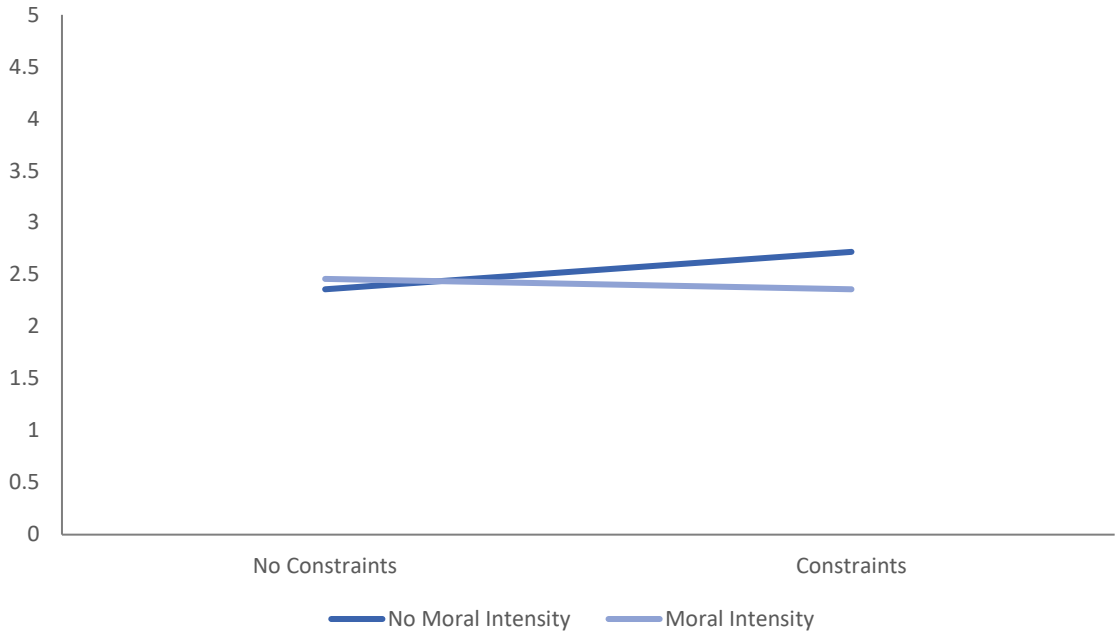


Figure 4

Interaction Results of Ethical Narrative, Constraints, and Moral Intensity on Constraint Breadth

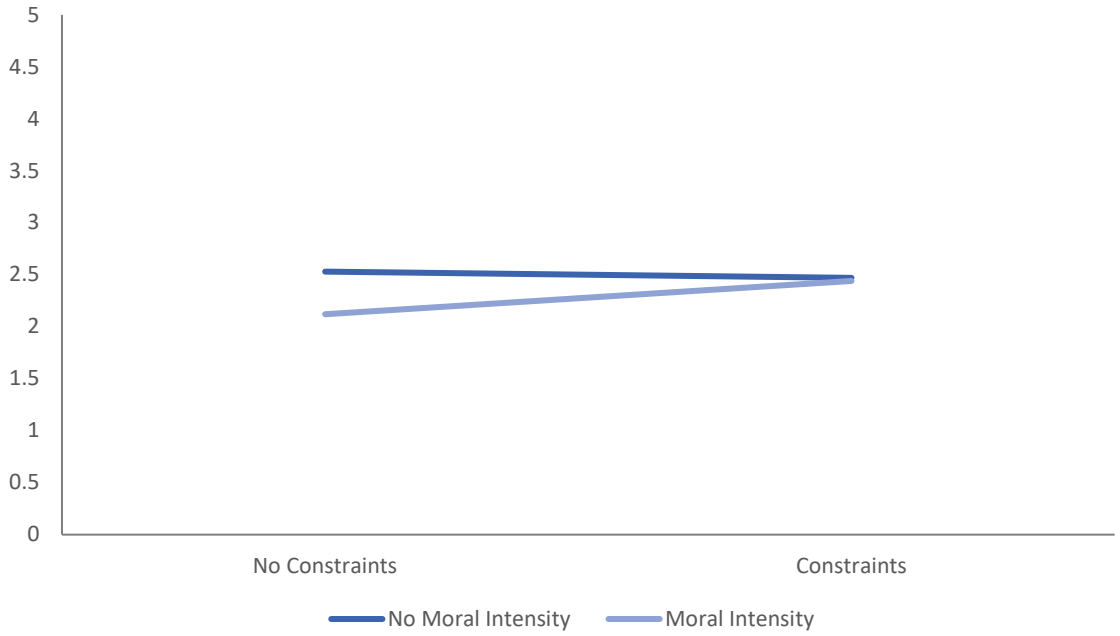


Figure 5

Two-Way Interaction Between Type of Communication and Constraints on Negativity of Forecast

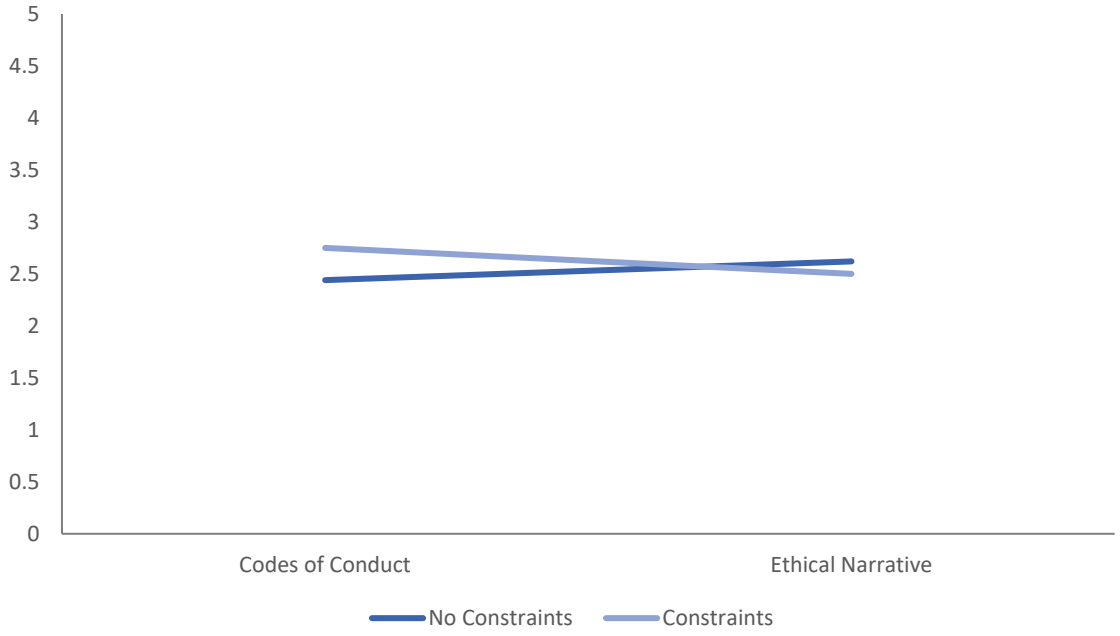


Figure 6

Two-Way Interaction Between Type of Communication and Constraints on Quality of Forecast

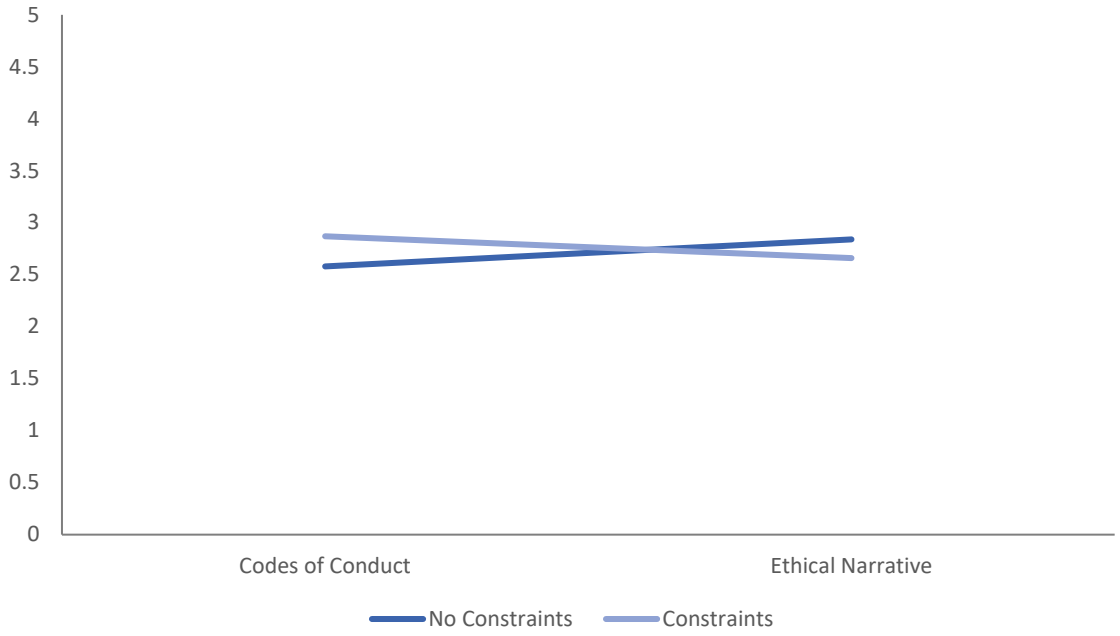


Figure 7

Two-Way Interaction Between Type of Communication and Moral Intensity on Anticipating Consequences

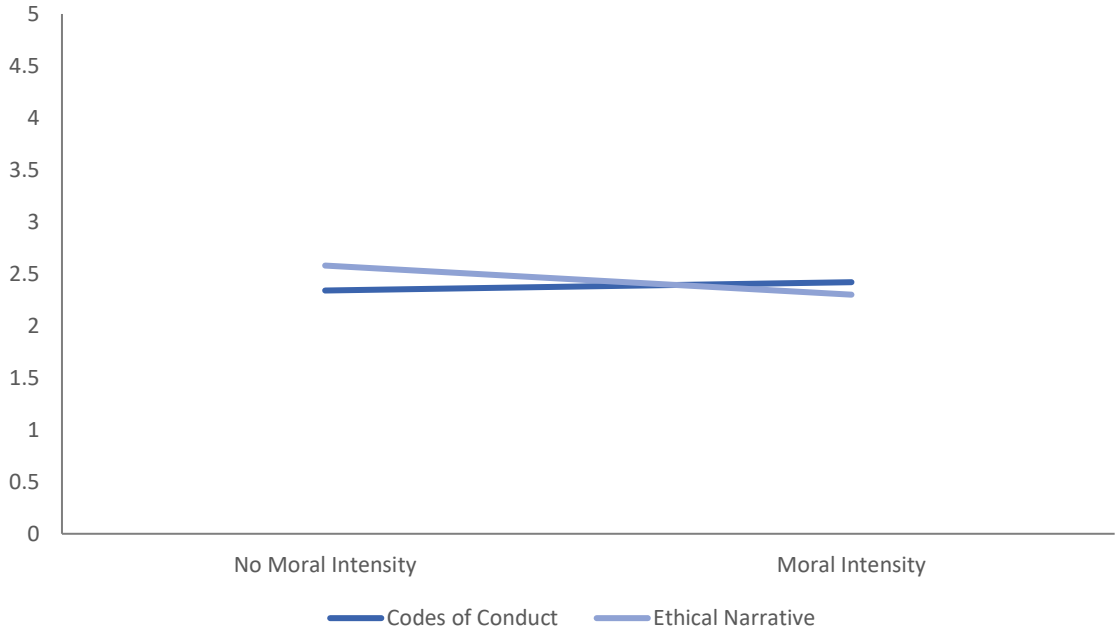


Figure 8

Interaction Results of Codes of Conduct, Constraints, and Moral Intensity on Magnitude of Consequences

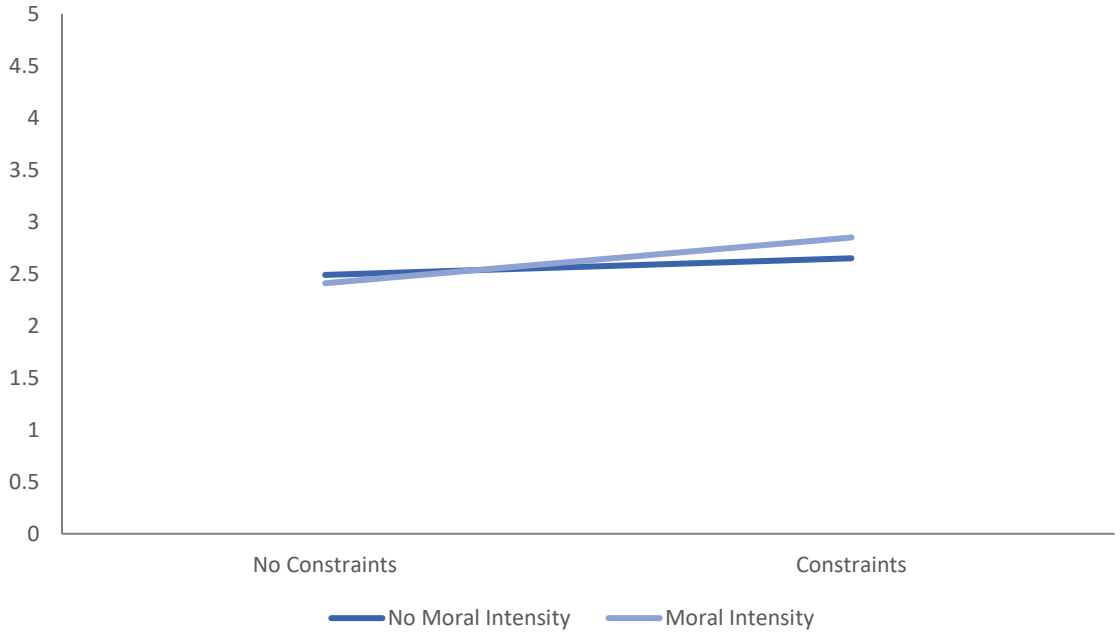


Figure 9

Interaction Results of Ethical Narrative, Constraints, and Moral Intensity on Magnitude of Consequences

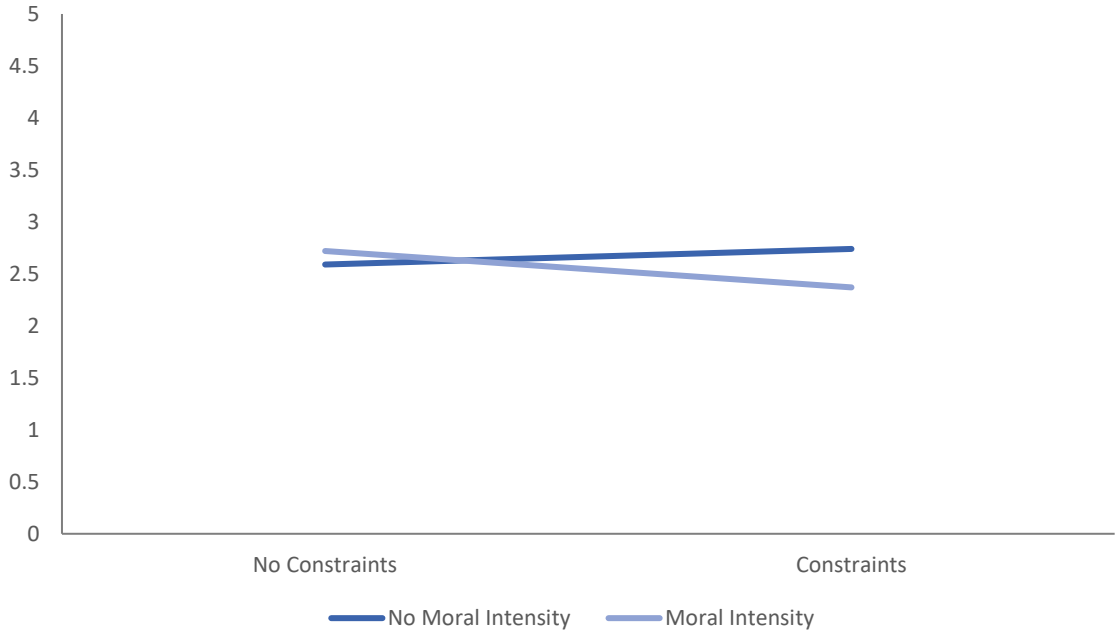


Figure 10

Interaction Results of Codes of Conduct, Constraints, and Moral Intensity on Social Consensus

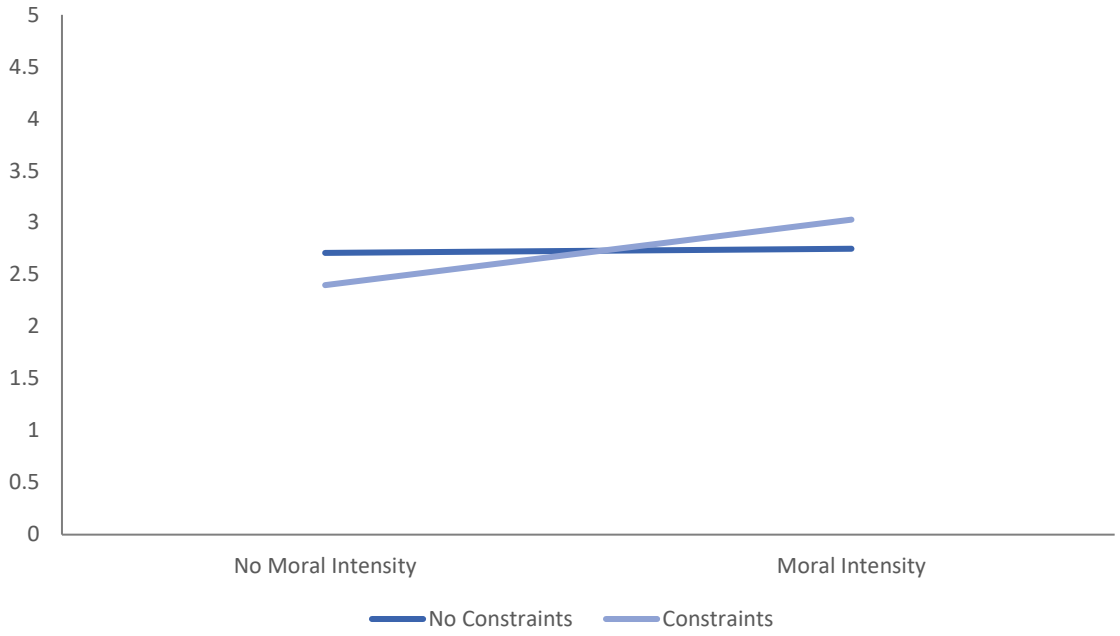
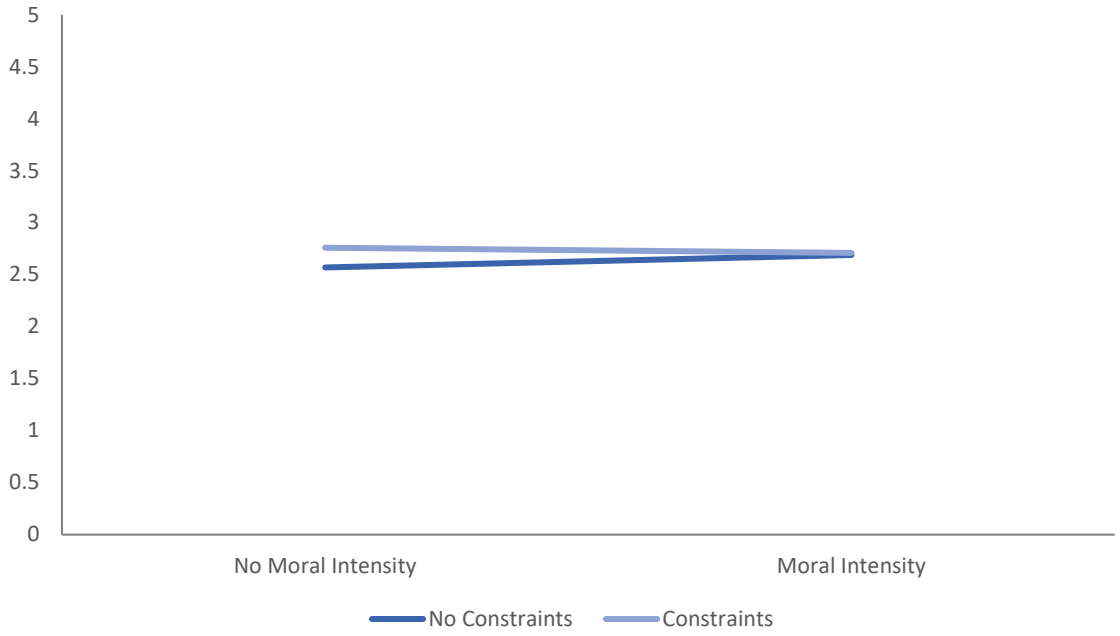


Figure 11

Interaction Results of Ethical Narrative, Constraints, and Moral Intensity on Social Consensus



Appendices

Appendix A

Innovate Marketing, Inc. Case

General Instructions.

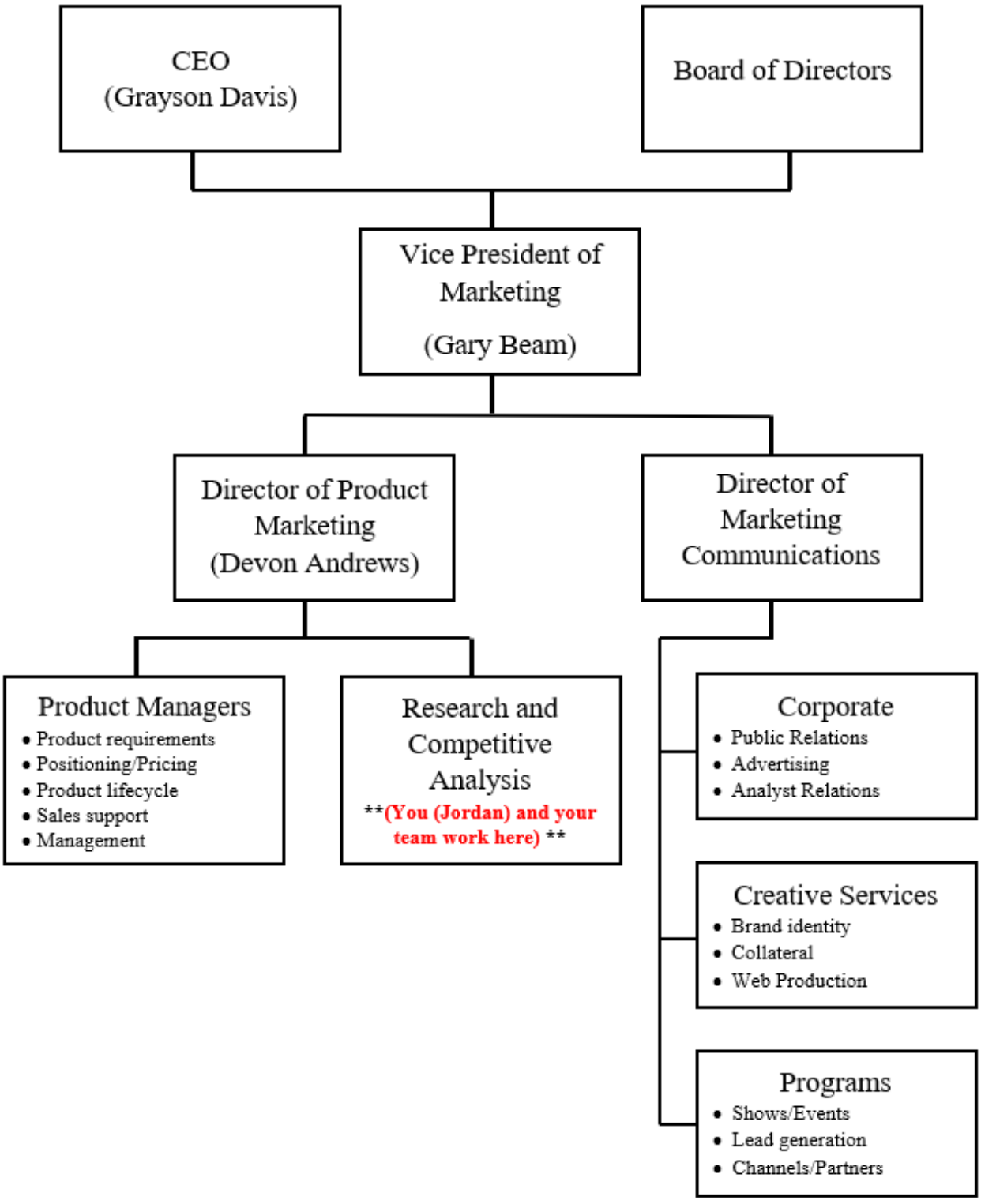
This is a study about creativity in the field of marketing, and in this study, you will begin by responding to a number of survey questions. You will then take on the role of a research analyst in a marketing firm where you will be given background information before being asked to complete a task. Additionally, you will complete a variety of other measures including questions related to personal demographics and news media consumption. As you read through the materials, **please take your time and answer each question thoroughly** and provide detailed responses where applicable.

Role Description

Now you will be asked to take on the role of a marketing research analyst at a firm named Innovate Marketing, Inc. The below description includes information about your job and what it is like to work at Innovate. **Please keep this information in mind**.

Innovate Marketing, Inc. Case Part 1

You are Jordan Burns, a team lead in research and competitive analysis for Innovate Marketing, Inc., a nation-wide organization based in Houston, Texas that specializes in marketing and advertising research. Within Innovate there are a number of market research departments, each focusing on different types of industries such as pharmaceuticals, telecommunications, travel, and the newest addition, coffee. You take a couple of minutes to look at the detailed flow chart listed on the next page, that presents information about you and the other Innovate employees.


CEO
(Grayson Davis)
Board of Directors
Vice President of Marketing
(Gary Beam)
Director of Product Marketing
(Devon Andrews)
Director of Marketing Communications
Product Managers
• Product requirements
• Positioning/Pricing
• Product lifecycle
• Sales support
• Management
Research and Competitive Analysis
**(You (Jordan) and your team work here) **
Corporate
• Public Relations
• Advertising
• Analyst Relations
Creative Services
• Brand identity
• Collateral
• Web Production
Programs
• Shows/Events
• Lead generation
• Channels/Partners

Your job is as team lead on the research and competitive analysis team within the coffee marketing division. Your duties involve tasks such as monitoring marketing and sales trends, assisting in the development of marketing plans, conducting research on specific market conditions, gathering data on consumers, competitors, and market conditions. In addition, your job involves using this information to prepare and present reports to clients and management and to measure the effectiveness of advertising campaigns once they are launched. You have been in this position with Innovate for a little less than a year.

The two main individuals you work with at Innovate are Chelsea and Devon. Chelsea is in her second year with the company and you have a good working relationship with her. Devon is the director of product marketing and typically works with your team to develop a marketing strategy before he moderates a focus group for a new product campaign launch. See attached organizational flow chart if necessary. Both you and Chelsea have fairly decent salaries and commission opportunities thanks to Devon's connections within the industry and although your salary is enough to afford your one-bedroom studio apartment, you would like a bigger place. Besides wanting a bigger place, you are growing desperate for a new car as yours is probably not going to last much longer.

One night after wrapping up some details for a project you've been working on, you receive an email from Devon. In the email he describes a fairly pressing issue about which he is wanting to bring you up to speed. The email reads:

From: Devon Andrews <dandrews@innovate.houston.org>

Subject: Great opportunity

Hi Jordan,

I'm not sure if you heard yet, but Gary Beam, the VP of marketing announced his retirement and after the success of my last marketing campaign I am pretty sure that I will be in the running to be his replacement. I just got an email from the higher-ups that we are now running full steam with the COFFEETECH campaign and I am putting together the team to work on it. The CEO of COFFEETECH is looking to do a quick launch of caffeinated fizzy drinks and caffeine lollipops and wants to present the marketing campaign to focus groups and get the products ready for the market within the next ninety days.

I have been closely following your work for the last year and you have consistently shown that you are ready to grow in the company. I think this campaign can be your chance to show that you can do this job. I want you to take the lead and Chelsea to assist in moderating the focus groups, assembling the report, and presenting the results to the CEO of COFFEETECH as soon as possible. You know that there has been a push to gain new clients and we really need this account to sign with us, so we really need to impress the focus groups and get good feedback with one of the campaigns we developed.

Again, I think this is a really good opportunity for you to show everyone that you are ready to move up in the company. Good luck and I will get back with you soon.

Best,

Devon

A few days pass and you receive another email from Devon.

From: Devon Andrews <dandrews@innovate.houston.org>

Subject: FWD Innovate Quarter 2 Newsletter

Hey team,

I wanted to pass on the Quarter 2 newsletter that I just got from the CEO. There are a couple of things you should notice. First, a nice little write up about the campaign I worked on over the last year! Good job again to those of you that worked on it! Second, notice the new message from the CEO. He is wanting to take a more active role in engaging with employees and talking about things that are important to him for the company.

Best,

Devon

Appendix B

Newsletter Front Page and Example Second Page

QUARTER 2 NEWS

Innovate Marketing, Inc.
Edition 12, Volume 2

Quarter 2 Successful Campaigns and High Performers

Moodmusic is easily the biggest success for Quarter 2, in both profit and strengthening Innovate.

This success shows us that a well-planned and executed campaign pays off. The team was able to combine emotion and creativity to create a marketing plan that has more successful than any other campaign over the last year.

Dustin Beahan, Taryn Grady, Mandy Moen, & Walton Lehner have been selected this quarter's high performers for having led campaigns that resulted in a record number of social media stats which are listed below:

- 93M impressions
- 20.4M video views
- 175% increase in E-Commerce revenue
- 135K new Instagram followers

Great job! Keep up the good work.

THINK 2020

Gear up for marketing's most exciting conference set for May 4 – 7 in San Francisco where you will see the latest in AI, cloud security, and IT structure

Outlook for the Industry

What did 2019 teach us in the marketing industry? What challenges and promising horizons are ahead for the industry in 2020?

Overall it was a strong year for marketing agencies. Almost 90% of agencies reported incremental growth in 2019 and over 25% are at the 30% mark or better in profit margin.

The future looks bright for 2020 and we are optimistic for growth and expansion for the coming year. Here is why:

1.Specialty shops are in. Be an expert in specific vertical/horizontal niche! Brands want marketing specialists in a specific area so focus on scaling your business.

2. Digital ad spend is on the rise and it continues to be a larger chunk of total ad spend with increases of 50% expected over the next year.

What challenges does Innovate Marketing Inc. face heading into 2020?

#1 New client acquisition – Some effect customer acquisition tactics

- Understand short-term hacks vs. long-term strategy
- Value of the customer must exceed cost of customer acquisition
- Acquire slowly at first, perfect the product, go mainstream
- Design your website to be helpful, not sophisticated

#2 Productivity – Tips for being more productive

- Aim for steady team growth and prioritize most important things
- Integrate social media channels into customer relationship management platforms; you can streamline customer connections and promoting Innovate
  - Utilize: HubSpot, Salesforce, Less Annoying CRM, or Freshsales

Seasonal Shifts

Here are some things that are important to Innovate. As seasons shift in this industry, remember them. Grayson Davis – CEO

Space for codes or narrative scenario

SEE APPENDIX C

Quarter 2 Final Thoughts

Devon Andrews – Director of Product Marketing

Space for final thoughts (no constraints) or constraints

SEE APPENDIX D

Space for moral intensity

SEE APPENDIX E

Appendix C

Manipulation of Nature of Communication

Ethical Codes

Honesty – Be forthright in dealings with customers and stakeholders. All staff will:

- Strive to be truthful in all situations and at all times
- Offer products of value that do what we claim in our communications
- Stand behind our products if they fail to deliver their claimed benefits
- Honor our explicit and implicit commitments and promises

Responsibility – Accept the consequences of decisions and strategies. All staff will:

- Strive to meet the need of clients
- Avoid using coercion with all stakeholders
- Acknowledge social obligations to stakeholders that come with increased marketing and economic power
- Recognize special commitments to vulnerable populations, such as children, seniors, and impoverished
- Consider environmental stewardship in decision-making

Transparency – Create a spirit of openness in marketing operations. All staff will:

- Communicate clearly with all constituencies
- Accept constructive criticism from customers and other stakeholders
- Explain and take appropriate action regarding significant product or service risks, other foreseeable eventualities, or anything that could affect customers or their perception of the purchase decision

Ethical Narrative

There are seasons when customers are spending less money than usual and it's our job to tailor efforts that increase brand recognition and sales all year long, despite shifts. When you work to do this be careful walking the fine line between smart marketing and deceit.

Years ago, before Innovate became as big as it is now, you may not know that I had a business partner, Parker. We were young and broke but had a couple of big accounts that had the potential to go multi-national. We found ourselves in a seasonal shift and both accounts were concerned about being with a small firm that might not know how to handle a campaign for a large company, especially during a seasonal shift. We wanted to keep them happy and let them know they had nothing to worry about, so we each took one client and worked closely with them to give them our full attention.

I was busy with my client and assumed Parker's campaign was running smoothly. The campaign he worked on was for a chain of popular hotels called Dream Resorts. We got their business through a mutual friend and this was our chance to push Innovate to the next level. Everything seemed to be going very well and both campaigns launched smoothly, and it appeared that we had done exactly what we hoped! It was about three months later that I found out that there was nothing smooth about the hotel campaign.

I met with the VP of the hotel chain and learned about the mess Parker made for us. He was irresponsible and lied to them about his approach marketed a seasonal special that failed to include any information about additional fees or fine print that might have let the customers know that it wasn't quite the deal they thought it was. Customers arrived at their destination and were charged several hundred dollars more than was listed in the ad we created. Needless to say, customers were furious, and Dream Resorts ended up losing not only that business, but trust of their customer base and their future business. They fired us and moved to another firm.

Thankfully the campaign I worked on succeeded, went national, and saved us, although Parker and I decided to part ways because our views on how far you go to succeed are too different. I thought it was important to share this story with you in hopes that it encourages you during this time of year and you understand what is important to Innovate.

Appendix D

Manipulation of Organizational Constraints

No Constraints

Quarter 2 Final Thoughts
Devon Andrews – Director of Product Marketing

Looking through this newsletter before it went out, I must say I was encouraged at the successful campaigns from this quarter. I know that the Moodmusic campaign was huge for Innovate, but there were several other teams that also performed well. I think you can see how important it is to pay attention to the social media component of our work. It really helped the success of all the teams that were in the running for top campaign.

IBM's THINK 2020 is the best opportunity you might find in the coming year to work directly with technical experts and network with industry leaders from around the world. When you consider the outlook for our industry you can see how it offers great potential to work toward a number of goals.

2019 was good to us at Innovate and I am encouraged to see a bright future on the horizon. I know the challenges in Outlook for the Industry might seem like a lot, but they are no different than challenges we have seen in the past as a company and as we continue to work together to meet the needs of clients and the organization we will be fine. Just pay extra attention to the tactics offered in that section.

I would encourage all of you to complete the in-house survey; we aim to make sure we meet the needs of our people and it appears that many in this industry would like a more flexible office experience. Let us know as you complete the survey. There will be space to offer your opinions about how this may affect your job productivity and satisfaction, as well as that life you live outside of work.

It is important to use your voice so make sure to do this and we will present the results next quarter.

Constraints

Quarter 2 Final Thoughts
Devon Andrews – Director of Product Marketing

This industry is competitive and because of this, you may be faced with constraints that challenge you in your work. There are times throughout the year where a particular customer base has less money to spend on extras that we are marketing. These times of year coupled with seasonal shifts mean that we need to be aware of common constraints or industry pressures.

Some of the main pressures you will likely face in your work are related to competition, politics, and following popular trends and trying to develop creative and profitable campaigns when you feel these pressures may push you to compromising the quality of your work. It is important that you take time and consider this in the initial development of any campaign.

Politics and popular trends might offer additional pressures because the goal is to please the client, but if you put yourself in a position to be dishonest or market products irresponsibly just to please a certain customer base or follow a trend, you are compromising the mission of Innovate to uphold high standards in all practice.

Take extra time to ask team members about different options, because there are always different things you might implement to avoid making compromises. For example, if you are working on a campaign for a product that you know presents potential future issues, sit down with your team and if necessary, contact me and then meet with the client to brainstorm some alternative ideas. Don't be afraid to run your idea by others because they might see something that you didn't.

Using any of these strategies will help you do your job while being consistent with codes of conduct here at Innovate.

Appendix E

Manipulation of Moral Intensity

No Moral Intensity

What Does Top Talent Want in 2020?
Gary Beam – VP of Marketing

According to a recent survey, many agencies are leaning towards remote or flexible offices for high performers. This is bringing better work-life balance to the fast-paced marketing industry. I'm not saying we all should work 100% from home, but it is interesting to see the industry moving this direction. There are some that agree that it is a good thing and others that say team members will be less productive and spend less time on work-related tasks.

According to this survey 62.3% are either entirely remote or provide the flexibility to do so. What do you think about this?

Weigh in for Innovate Marketing Inc.'s in-house survey. innovatesurvey2020.org

Moral Intensity

Why We Care in 2020
Gary Beam – VP of Marketing

An industry-wide survey asking marketing professionals about the consequences of marketing missteps reveals some interesting information. There was widespread agreement that the consequences for the events described were too high and it was not worth compromising on critical fundamental practices in marketing. One key theme was related to the people that were impacted by these mistakes. They wrote about co-workers, company reputations, former clients, and even damage to client customer base. Some of the consequences listed were: (1) tweets that went viral about a company that resulted in the client firing the firm (2) negative impacts of marketing mistakes on company reputations, and (3) marketing of faulty products that caused health problems for a number of buyers.

All surveyed agreed that these potential consequences are critical to consider in your work as a marketing professional. Remember that marketing missteps can result in reputational and/or financial damage to clients and to Innovate.

Appendix F

Innovate Marketing, Inc. Case Part 2

After going through the two campaigns Devon sent you, you feel certain that one of these is going to be a winner and over the course of the next month you work on recruiting focus group participants and designing the questions that you will ask the groups. This seems like it will be smooth sailing because the company is hitting all the major points for a great product. They have 7 different flavors of caffeinated fizzy drinks and a dozen flavors of caffeine lollipops. There is also great packaging and a couple of popular social media personalities that are ready to pair with COFFEETECH for branding.

As you are going through information about COFFEETECH you see a couple of issues that might be a bit concerning. First it seems that their coffee beans are sun-grown, which means that they likely use synthetic fertilizers and fungicides. You aren't really sure about this, but you think it might not be good for marine life and people that live near water sources in the area.

Another concern you have is related to the laborers for the company. It is pretty vague in the information you have been able to find about their workers, but you know that this is potentially an important issue the focus group may bring up, and you want to be able to be honest with them. It turns out that COFFEETECH is not Fairtrade Certified and there are no labor, environmental, or quality standards that they are required to follow. This isn't necessarily going to impact the focus group presentation, but you can't really make any guarantees about this if you are asked questions about labor conditions or something at the focus group presentations. There are a couple of other issues that cross your mind, but they are not that big of a deal, so you continue with plans for the first day of focus group research. Day one of focus group research comes and everything goes without a hitch. You and Chelsea spend the next six weeks moderating eight different focus groups and send all of the information to the rest of your team which will be compiled into a report to present to the CEO of COFFEETECH.

It was close, but you have one week before you present the findings and task Chelsea with assembling all of the information that you have gathered from the focus groups into one streamlined report. She finishes the report and sends it to you with two days to prepare before meeting with the heads of COFFEETECH. You quickly skim the report and you aren't quite sure how you feel about the results.

FOCUS GROUPS EXECUTIVE SUMMARY

COFFEETECH is determined for their products to be a daily enjoyment for a diverse set of consumers. With the growing demand for fun and innovative twists on products and flavors, COFFEETECH is branching out from a simple coffee house to a line of caffeinated fizzy drinks and lollipops in the hope of dominating a new corner of the market that has yet to be targeted. COFFEETECH will capitalize on specific locations' proximity to local college campuses by launching products in college towns to take advantage of the adventurous and energetic populations that tend to gravitate to those areas.

Project

The purpose of this focus group research was to test attendees' reactions to the marketing campaign of the new line of products being offered by COFFEETECH. Focus group presentations were developed around the idea of maintaining what people have come to love and showcasing new lines of products. Attention was given to the fun and unique tastes of all the new products and details about the locations where the new product would be offered was shared. To test the merging of the coffee house vibe, the presentation included some traditional products, however the majority of the presentation was devoted to the new products. Potential flavors of the month were highlighted to showcase the individuality of each fizzy drink and lollipop as a way of promoting the new products.

Group parameters

A total of eight focus groups were moderated prior to the launch of COFFEETECH's new products. Across the eight groups were a total of 184 attendees, 99 women ages 18-59, 67 men ages 25-64, 9 non-binary ages 18-36, and 9 that preferred to not disclose their gender. All are coffee and caffeinated beverage drinkers and are interested in new products that may hit the market next year.

Findings

The majority of feedback was related to concern over the appearance of COFFEETECH straying away from coffee and quality going down. Additionally, phrases like "they are trying too hard to fit in with everyone and won't make good coffee anymore much less good fizzy drinks" and "this is going to make shops busier than they already are and it will take me forever to get anything" were used.

There were concerns about marketing caffeinated products to be fun because kids will want to buy them, as well as the origin of the beans and possible chemicals used and consequential concerns about marine life and birds near water. A few more were concerned about labor standards and wanted to make sure children are not picking the beans used for COFFEETECH products.

On a positive note, they loved the taste of the fizzy drinks and the majority stated that taste was better than any of the energy drinks currently on the market. They also loved the taste of the lollipops. One attendee stated: “I was getting over a sore throat and the lemon-ginger zinger made my throat feel better when I finished it”. There was high satisfaction about the attention devoted to customer experience and that COFFEETECH is a solid business with locations everywhere you go. Some used phrases like “coffee every which way” and “COFFEETECH is king”. Overall, the significant majority across all eight focus groups love the products and believe they are creative, exciting, and are going to be very popular when they hit the market.

Motivation for buying coffee will continue to be related to keeping lines short, quality flavor of products, taste of products, and continued variety.

After reading you realize that very few people in the focus groups brought up concerns related to using fertilizers and fungicide or the fact that there are no labor or quality standards they must adhere to. You aren’t quite sure what you should do about this. The results are better than you thought they might be, and nobody really seemed to care about the things you thought they would worry about, but you have other information that nobody considered. You know that Devon put a lot of trust in you to get this account and you want to prove yourself to him but with these results you aren’t really sure the best direction to go with your presentation.

From: Devon Andrews <dandrews@innovate.houston.org>

Subject: Focus group results

Hey Jordan,

I’m just checking in on you and making sure the presentation is going to be ready on schedule. I’m sure the focus groups went well, and the focus groups loved the products. The CEO loves this campaign and is ready to launch as planned. Send me a draft of your plan to summarize the results from the focus group first thing in the morning. I’m sure it’s great, but I want to give it a once over to make sure this account moves forward. Can’t wait to see what you come up with.

Best,

Devon

This email adds pressure in more ways than one. Not only do you have to decide how to you are going to present the focus group results when you aren't quite sure what you want to include, now you have a day less than you had before. You take a minute to consider all of this information before deciding how to move forward.

Appendix G

Ethical Decision-Making Task

Now we would like you to think through any problems in this situation, and possible outcomes related to it. Please respond to the following questions fully and to the best of your ability.

1. What, if anything, do you see as a problem in this situation?
2. List and describe the causes of the problem.
3. Are there any important factors or challenges to consider in this situation?
4. What might you consider when deciding how to present the results from the focus groups?
5. What are some possible outcomes related to the information you present to the CEO of COFFEETECH? List as many as you can think of.
6. How will you move forward with this information? What information will you choose to share, and how will you frame it to present to the CEO? Take a few minutes to read through the focus group report and type the presentation that you will present to you manager Devon and the CEO of COFFEETECH.

Appendix H

Perception of Organizational Communication Effectiveness

1. Information given to you by the organization about codes of conduct and ethical expectations made you think.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

2. Information given to you by the organization about codes of conduct and ethical expectations made you feel strong feelings.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

3. Information given to you by the organization about codes of conduct and ethical expectations was effective in terms of giving information, ideas, or skills you could use.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

4. The information about codes of conduct and ethical expectations was relevant and usable in your job.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

5. The information was persuasive for you attempting to use organizational ethics information more often.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

6. The information was persuasive in using information to talk to organizational members more often about ethical information.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

7. The information was persuasive in showing you that you are able to learn more about ethical information from others.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

8. Information about company policies and goals was relevant and applicable to my job.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

9. Information about past accomplishments and/or failures of the company helped me to understand how to use the codes of conduct and ethical expectations given to me.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

10. Information about codes of conduct and ethical expectations enable me to be successful in overcoming information restrictions.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

11. I was able to efficiently use information about codes of conduct and ethical expectations given to me by the organization.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree

12. The information given to you by the organization about codes of conduct and ethical expectations was effective in specific situations in your job.

1	2	3	4	5
Strongly disagree	Disagree	Neither agree or disagree	Agree	Strongly agree