CHAPTER 2

REVIEW OF THE LITERATURE

This chapter includes the literature that relates to the effect of culture on ethics. Variables associated with individual respondents including: changing demographics, students and their ethical views, business and non-business students' ethical beliefs, gender and ethics, family employment background and ethics, and citizenship effects in cross-cultural studies are discussed. Further, a linking of Hofstede's theoretical dimensions (1984, 1991) related to this study and the ethical decision-making classification propositions of Vitell et al. (1993) is provided.

Changing Demographics

As this century comes to a close, the US is predicted to experience changes in its population never before experienced. Allen (1995) indicates that by the turn of the century, five-sixths of the new workers in the US will be women, African-Americans, Hispanics, and immigrants. Other research estimates that by the year 2010, one of every three US residents will be Black, Hispanic, or Asian-American (Hodgkinson, 1986). According to the research, each of these groups reflect ethical foundations that relate to cultural or demographic factors, or both.

The impact of the demographic changes can be noted in most institutional, educational, and governmental settings. This situation has led to
researchers encouraging business colleges to require graduates to have a global perspective (Deutschman, 1991). The American Association of Collegiate Schools of Business (AACSB) recommended that every business student be introduced to an international dimension (1990-1992) and to trends in international business. This advice has impacted higher education institutions for nearly two decades. Hart, Tucker, and Muehsam (1994) reported corporate executives' perceptions of collegiate international business preparation from a survey of 600 top executives in international sales. They reported that personnel were initially hired for their basic technical foundations, but only those with effective communication and interpersonal skills were later tapped for overseas assignments. Durks and Buzzard (1997) noted that upper level management surveyed in 47 Greater Kansas area corporations identified communication skills as the most important knowledge needed by international employees. Each of these studies reflected the climate of the corporate world needed to accommodate current demographic changes.

The philosophical and ethical foundations of business in other countries may have little relationship to those found in the US at large. If the US is to compete globally, its business community must understand those differences. The educational community can help by making students aware of the great variety of cultural and ethical differences that now exist within US borders. They can assist students in understanding the cultural backgrounds that inform
an individual's ethical decision-making. According to Park (1991) "individual success in the international marketplace requires more than a basic understanding of economic, regulatory, and managerial practices. It also requires an intensive study of the political, social, and cultural trends that influence a country's business" (p. 23).

This study compares the selections of Japanese and US students on ethics-related vignettes. Along with the normal differences members of different cultures must adapt to in their workplace settings, they must also understand the ethical cornerstones of doing business with one another to be successful in the global marketplace. These ethical cornerstones have a direct impact on members' ethical choices in business decision-making.

**Students and Their Ethical Views**

What is known about college students' ethical frameworks? The literature review revealed a number of empirical studies that have considered the effect of personal characteristics, instructional influences, and demographic variables on students' ethical views. The studies' varied outcomes are presented here and focus is given to characteristics that may influence ethical beliefs and behaviors. These are: major in college or university, gender, family employment background, and culture. Each of these factors are representative of life experiences or personal characteristics that may influence one's ethical choices.
Results of Newstrom and Ruch’s (1976) study revealed that students generally perceive their own ethical norms to be more strict than those of their peers, but not so strict as faculty norms. The study’s intent was to begin collection of a body of empirical data that could explain unethical behavior prevalent among college business students of that decade. The researchers believed that understanding students’ ethical attitudes might help foster changes in curriculum appropriate in preventing future moral and ethical decline in business, government, and society. They administered a survey to 231 business students; 81 freshmen, 103 seniors, and 47 graduate students enrolled in master’s level graduate studies. The majority were in the 18 to 27 years of age category with 87% of the respondents being male. Of those, 67% were single and 84% had work experience. The survey, administered to volunteers in selected business classes, contained 17 items relating to a broad range of student academic dishonesty. The authors did not report when or where the study took place. Subjects reported violating their own ethical rules less often than they believed their contemporaries did. These perceptions were somewhat paradoxical since all students cannot be more ethical than their peers (Newstrom & Ruch, 1976, 26).

Tyson (1990) developed a questionnaire that asked students to report what they believed most managers or supervisors would be willing to do to protect their own jobs and what the students would do to protect their jobs. The
survey asked them to provide ratings on ten ethically questionable work behaviors. Using the questionnaire in a later study, Tyson (1992) surveyed 415 students at a private, urban, US college, along with 68 CPAs. Fifty seven percent of the respondents were female, the mean age was 24.9 years, 47.7% of the respondents had no work experience, and 116 were accounting and management majors. The results of the study supported aspects of the Newstrom and Ruch (1976) study, revealing "individuals, regardless of age, gender, or work status see themselves as acting far more ethically than others." Numerous other studies have reported similar conclusions (Ferrell, & Weaver, 1978; Newstrom & Ruch, 1975; Pitt, & Abratt, 1986). The ethical views-related studies reviewed for this research revealed that students perceived their own ethical views to be less strict than faculty. On the other hand, they perceived themselves as more ethical than others.

**Business and Non-Business Students' Ethical Attitudes**

The differences between business and non-business students’ ethical attitudes have been compared. Outcomes have been used to establish the need for and examine the impact of ethics course work in the curriculum. Examining the ethical attitudes of undergraduate and graduate students when they faced questionably ethical accounting dilemmas, Borkowski and Ugras (1992) compared 51 freshmen and 31 junior accounting students, and 40 MBA students enrolled in a medium-sized private university in the northeastern US.
Demographic variables included sex, age, major, student, and employment status. The researchers utilized videotaped simulations of two ethical dilemmas prepared by the Institute of Management Accountants (IMA). Students first read a one-page summary of each case, viewed a five-minute detailed video of the case circumstances, then responded to specific items dealing with the ethical behaviors of principals in the cases. In the comparison of accounting to other majors, no significant difference was found in ethical attitudes for either of the two cases. The authors reported that accounting majors rank their responsibility first to shareholders, then to self; while the opposite was true for non-accounting majors. They also reported that MBA students seemed to be more utilitarian in their approaches than undergraduates, who were more “justice oriented.” The “justice model” is one in which society “treats similar cases alike, except when there is some relevant difference” (Shaw, 1992, 85).

At a business school located in a southern university, Stevens, Harris, and Williamson (1993) surveyed 137 business students and 34 business faculty members using 30 ethical decision-making situations and demographic questions to determine differences in the subject's evaluations of ethical situations. Based on the survey outcomes, they reported the trend that faculty tend to be the most ethically oriented, followed by seniors, then freshmen (p. 611). These findings are in keeping with others that linked maturity levels with
subjects' ethical viewpoints. (Browning & Zabriskie, 1983; Ruegger & King, 1992).

Tyson (1992) reported no statistical significance between business and non-business majors' ratings of business cases as ethical or unethical. The exploratory two-stage study, mentioned earlier, of 427 undergraduate and graduate students, and 68 CPAs sought to determine if unethical conduct in the marketplace is impacted by an individuals' belief that he or she is more ethical than others. The author concluded that "an individual's internal ethics or personal standard of conduct, rather than their [sic] perception of how others will act, is more closely associated with their [sic] response to a work-related ethical decision." (p. 712)

Arlow (1991) found that personal characteristics play an important role in college students' evaluations of business ethics. In this study, participants were 138 volunteer full-time and part-time undergraduates enrolled in an undergraduate business course at a medium-sized non-AACSB-accredited university. Fifty three percent of the subjects were male, the mean age was 26.9 years, 44.9% were business majors, 53.6% were non-business majors and 1.5% were in the "other" category. The Social Assessments Questionnaire (SAQ), a 51 item scale that measures social responsibility, was administered to the students during class time. Outcomes of the analyses revealed no significant differences between the ethics of business and non-business students.
Lane and Schaupp (1989) noted "business and economics students consistently perceive a greater need for unethical beliefs than students from other colleges." (p. 943) For their study, they surveyed 266 students with assorted majors at a large state university in the eastern US. Questionnaires were distributed during class time to students in four different colleges at the university, using a 12-item scale.

Based upon responses to a survey, Wood, Longenecker, McKinney, and Moore (1988) found that business students tended to be more willing to engage in questionable behaviors than non-business majors. The study included 2267 responses from business managers, and 205 responses from upper class students in a business ethics course. Unlike other studies reported to this point, just 9.6% of respondents were under 30 years of age, while 80.9% were between 31 and 60 years old. Gender, work experience, and majors of respondents were not reported. The authors found that student responses to seven of the sixteen ethical dilemmas showed them to be more willing to engage in activity that was ethically questionable than were the business professionals. Additionally, Wood et al. reported less mature business people to be significantly more permissive in ethical viewpoints. Borkowski and Ugras (1992) also surmised maturity plays a role in the ethics that students espoused, and suggested that the further into one's business studies and the more mature the subject, the more utilitarian the ethical
viewpoint. The finding is in keeping with others that link maturity levels with subjects' ethical viewpoints. (Browning & Zabriskie, 1983; Ruegger & King, 1992).

McNichols and Zimmerer (1985) found few differences in ethical attitudes expressed by business versus other majors in a study that surveyed 1178 randomly selected undergraduates in the College of Commerce and Industry at a large southern University. Forty-seven percent of the students were males, 38% were business majors; age and work experience were not reported. Of the 30 items used in their survey, only five relating to ethical attitudes were significant at the 5% level or below. Therefore, the authors reported no distinct trend. The instrument used in this study had ten situations involving ethical questions, demographic questions, and a question relating to respondents' spiritual and religious beliefs.

Of the studies that relate to business versus non-business majors, business students were found to be less likely to behave ethically in some studies, while major was found to have no effect on ethical behavior in others. The results of the studies were conflicting, thus, indicating a need for further study.

**Gender and Ethics**

During the past 30 years, there has been a shift in the demographic characteristics of college students. Both within schools of business and in other disciplines, the percentage of females has risen, as it has in business
and industrial settings. Studies have been conducted to determine whether male and female ethical orientations differ significantly, and if so, what impact this difference might have in the college or university setting or, eventually, the boardroom.

In comparing each gender's responses to ethical decisions, Harris (1989) found males more often made decisions based on self-interest, while females' decisions were more likely to use a societal benefit viewpoint to come to their decisions. There were 103 males and 58 females in the study who volunteered to complete a questionnaire during upper level business classes at a major southeastern university. Fifteen ethical scenarios, related to business, were presented and the respondents were asked to report approval or disapproval on each question.

Ameen, Guffey, and McMillan (1996) reported females to be less tolerant of academic misconduct in comparison to males. Their study was designed to determine gender tolerance for unethical academic behavior. The subjects were 285 accounting majors in upper level accounting courses at four large public universities in the southeast and southwest US, 168 were female, and 117 male. A questionnaire asked subjects to respond to 23 items regarding questionable academic activities, by rating them on a 6 point scale, no cheating to most severe. The measure of tolerance that students had for
an activity was linked to their sensitivity to the ethicality of the behavior and to their likelihood of engaging in the behavior.

Ford and Richardson (1994, p. 206) have stated that gender is the most reported variable in empirical studies found in the ethical decision-making literature. Their research catalogued the existing studies relating to ethical decision-making in order to determine the predictive value of certain characteristics on ethical behavior. Of the fourteen gender-related studies these researchers reviewed, females were found to be more likely to behave ethically in seven, the other seven studies found gender to have no effect on ethical beliefs.

From results of a study involving 1042 females and 1154 male students enrolled in business courses at a southern university, Ruegger and King (1992) suggested that "gender is a significant factor in the determination of ethical conduct and that females are more ethical than males in their perception of business ethical situations" (p. 179). Responses in six areas of ethical conduct were measured with a ten-question survey instrument during the fall and spring semesters of 1989 and 1990.

A further finding from Tyson's (1992) two-stage study of 349 undergraduate, 66 graduate students, and 68 CPAs revealed that "males were twice as likely as females to select unethical case responses; however, statistical significance occurred at only the 0.10 level" (p. 711).
Arlow (1991) reported females to be more ethical and socially responsible than males, and results of the study suggested future business ethics instructional focus should be based on student characteristics. This study, mentioned earlier, involved 138 volunteer full-time and part-time undergraduates enrolled in an undergraduate business course at a medium-sized non-AACSB-accredited university.

Peterson, Beltramini, and Kozmetsky (1991) repeated an earlier study in which they found female students to be more concerned than male students about selected business ethics issues. For the first study, 1681 students at 28 universities were surveyed in the 1989-90 school year. College students, in general, were found to be concerned about ethics issues, and, again, female students were found to be more concerned than male students. For the 1991 study, the authors selected subsets of the universities originally investigated, surveying students at 16 of the schools. Results in the second study replicated the findings of the first, with a higher level of concern revealed than during the first study. The universities represented both private and public institutions and every geographical region of the US (p. 208).

Regarding gender, a study by McNichols and Zimmerer (1985) received survey responses from 1130 undergraduates, of which 38% of the respondents were male, and 53% female. The surveys determined how respondents might act in ethical situations, and how they believed society and business persons
would act. They modified their survey, using four versions of the instrument, to
determine whether the gender of the person represented in the ethical situation
would have an effect on the undergraduates’ views of the vignettes. No
significant ethical attitude differences were revealed based on gender.

Other research has focused on relationships between gender and
ethical beliefs, and the outcomes were often in conflict. Gilligan (1982)
revealed that the results of early studies excluded females, which could have
led to prejudiced theory. Thus, she developed her own framework, positing the
care/responsibility (female orientation) and justice/rights (male orientation)
moral perspectives. Gilligan argued that male versus female moral
orientations are distinct and that females view moral questions as decisions
with care-based components, requiring compassion and empathy, while males
see them as rights-oriented problems. Along with Gilligan’s work, other
studies by Betz, O’Connell and Shepard (1989), and Miesling and Preble
(1985) suggest women’s ethical stances were higher than those of men. The
study outcomes also revealed that background characteristics were related to
students’ ethical views.

Of the gender-related studies reviewed for this research, females were
found to be more likely to select ethical responses in some studies, while
gender was found to have no effect on ethical responses in others. Findings in
the study are inconclusive, indicating a need for further inquiry.
Family Employment Background

The literature shows no consideration of this variable, but in planning this study, the researcher reasoned that ethics-related studies had been undertaken with managers, marketers, bank employees, and other professionals in a variety of organizational levels and industry types. Their employment backgrounds yielded some significant differences among occupational groups. Dubinsky and Gwin (1981) found that purchasing managers perceived more business practices to be questionable than do sales managers. It seemed possible that one's family business background could have an effect on ethical orientation.

Cross-Cultural Studies of College Students' Ethical Frameworks

Demographic projections of a world economy dependent on cooperation have exposed a need for increased understanding of the ethical values held by other cultures. Early studies on the topic focused on the attitudes of business practitioners, but few efforts were made to understand the ethical reactions of business students across cultures until more recently. A number of studies have compared the ethical frameworks and viewpoints of students from varied cultures.

Moore and Radloff (1996) found a significant difference between Israeli and South African students' responses in their survey completed by 379 South African business students. Results of the study were compared with American,
Israeli, and Australian students' responses from earlier studies. The authors compared their data with that used by Small (1992) in a study of Western Australian business students and found no difference between the groups. Their comparisons with the results of the Preble and Reichel (1988) study of US and Israeli students found the responses of Israeli and South African students to be significantly different. Moore and Radloff (1996) found 13 significant differences between US and South African students, eight between Western Australian and South African students, and 17 between Israeli and South African students. The authors believed the results of the combined studies displayed significant differences between the cultures, reporting that over half the items used were found to be significantly different.

Kennedy and Lawton (1996) found Ukrainian students' ethical standards to be less stringent than US students, supporting Laczniak and Naor's (1985) study. They found standards to be lower among people in less developed countries. They suggested that earlier studies of ethical differences between cultures reported by Abratt, Nel, and Higgs (1992), Lyonski and Gaidis (1991), Tsalikis and Nwachukwu (1988, 1989), found few ethical differences among subjects, because the participants' economic and social systems were somewhat similar. The Kennedy and Lawton (1996) study compared Ukrainian students coming from a culture undergoing rapid economic and social changes since the collapse of the Soviet Union in 1993, and US students coming from a
capitalist economic environment. The authors suggested that alienation and religiosity had only a slight effect on subjects' anticipated behavior and speculated that the "dramatic differences between Ukrainians and Americans was based on variations likely to be found in national cultures, ideologies, or economic conditions" (p. 908). The authors analyzed the relationship between one's level of social and moral integration and one's willingness to engage in unethical business practices (p. 902). Allport's Religious Orientation Scale, a measure of religiosity used in more than 70 publications, was also administered to the students. Ford and Richardson (1994), in their meta-analysis of ethical decision-making literature found nationality to be the second most reported personal attribute in current empirical literature.

A replicate study by Small (1992) compared attitudes toward business ethics held by 112 Australian undergraduates and 67 graduate students to an earlier study that focused on 129 US and 150 Israeli students (Preble, & Reichel, 1988). Small utilized Preble and Reichel's 30-item "Attitudes Toward Business Ethics Questionnaire" for the study. The students in both studies seemed to share similar values towards business ethics suggesting a "high commonality of views towards business ethics" by citizens of the western world (Small, 1992, p. 750).

Abratt, Nel, and Higgs (1992) developed a questionnaire to determine the difference between South African and Australians managers' ethical beliefs, adapting it for each of the cultures represented. Fifty-two managers completed
the instrument consisting of 28 scenarios involving ethical implications. The two groups differed significantly in their responses to only three of the 28 scenarios which led Abratt et al. to conclude that the outcomes support the view that participants' ethical beliefs are not determined by their cultures.

In another cross-cultural study comparing the ethics of 103 business students from the US, 138 from Denmark, and 183 from New Zealand, the respondents' ethics were revealed to be similar regardless of country (Lyonski & Gaidis, 1991). Students reacted to a set of ethical vignettes and researchers compared their reactions to those of practicing managers. Much of the empirical research on cross-cultural variations "has focused on practicing managers, not business students" (p. 141). Studies have also examined differences in ethical perspectives among subcultures within societies in the US, including black and white. In a study of 234 white and 255 black students who responded to two vignettes at a southern university, Tsalikis and Nwachukwu (1988) found both groups to hold similar ethical beliefs.

Of the cross-cultural studies reviewed, several found differences in ethical beliefs among various cultures' respondents, while several did not. The results of the studies are inconclusive, indicating a need for more study to develop more definitive understandings of the effects of culture on ethics.
Students' versus Business Practitioners' Ethical Standards

Cole (1993) compared the perceptions of business practitioners' ethics held by 537 senior college business students and 158 experienced business people and found students to be “significantly more accepting than the business people of questionable ethical responses.” The students thought business people were less ethical than did experienced business practitioners. Cole also reported the completion of one or more ethics courses to have no significant effect on student responses in the study. Numerous other studies also reported that college students have different or lower ethical values than do business people (Arlow & Ulrich, 1980; Lyonski & Gaidis, 1991; Wood, Longenecker, McKinney, & Moore, 1988). Reasons for young people having lower ethical values and perceptions of ethics may be related to the concept of moral development (Wood, et al., 1988).

To summarize, of the student versus business practitioner-related studies reviewed, business students were found to be less likely to behave ethically in some studies, while this factor was found to have no effect on ethical beliefs in others.

Hofstede's Dimensions

The current study sought to determine whether a relationship exists between culture and the ethical beliefs and behaviors of Japanese and US college students. Hofstede’s initial (1984) research on cross-cultural values
provided a framework for understanding the effect of culture on ethics in various organizational environments. Data collection for that study involved more than 116,000 questionnaires, administered to International Business Machines (IBM) employees, a large US multinational company, over two four-year periods (1968 and 1972), and it matched respondents by occupation, age, and gender.

Hofstede (1984) developed a cultural classification scheme of dimensions through which cultures could be compared, and defined culture as "collective programming of the mind" (p. 13). Inkeles and Levinson (1969) provided the basis Hofstede used for his dimensions: "(1) relation to authority, (2) conception of self, including the individual's concept of masculinity and femininity, (3) primary dilemmas or conflicts, and ways of dealing with them, including the control of aggression and the expression versus inhibition of affect." (Hofstede, 1984, p. 37)

The first of Inkeles and Levinson's (1969) issues may have been the foundation for Hofstede's Power Distance Dimension (1984); the second, was linked to his Self versus Organization orientation and Masculinity/Femininity dimensions; and the third was similar to his Uncertainty Avoidance concept. Hofstede's five cultural dimensions are: Individualism versus Collectivism, Uncertainty Avoidance, Masculinity/Femininity, Power Distance, and Short-versus Long-Term orientations. Each of the dimensions were developed as indices of the characteristics they describe, with scores ranging from 0 to 100.
The scores suggested a general sense of the values that are likely to be found in a specific country. Descriptions of the dimensions were used to analyze values differences across many cultures, to identify where cultures are alike and different, and to aid understanding of organizational structure, negotiations, and other organizational dimensions (Morley, Shockeley-Zalabak, & Cesaria, 1997).

Vitell et al. (1993) developed fifteen ethics-related propositions based on Hofstede's typology (1984, 1991). The authors considered each dimension separately and developed ethical propositions based upon that dimension. If a given ethical proposition followed from more than one dimension, the proposition was presented more than once with respect to each of those dimensions. Therefore, discussion of Vitell et al. contained a duplication of propositions. In this study, these duplications were eliminated by linking a proposition, if necessary, to more than one typology. The following paragraphs and tables present Hofstede's cultural dimensions and Vitell et al.'s propositions relating to each dimension.

**Individualism versus Collectivism Dimension**

According to Hofstede's typology (1983), in individualistic versus collectivistic societies, "the fundamental issue is the relation between an individual and his or her fellow individuals" (p. 79). This dimension was defined as follows.
Individualism pertains to societies in which the ties between individuals are loose; everyone is expected to look after himself or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onwards are integrated into strong, cohesive ingroups, which through people's lifetimes continue to protect them in exchange for unquestioning loyalty. (Hofstede, 1991, p. 51)

Hofstede (1984, 1991) classified the US as high on Individualism and low on Collectivism, while Japan was ranked just the opposite. Societies believed to be high on the Individualism versus Collectivism index would emphasize the role of the individual, those low on the index would emphasize group roles. Some societies viewed Individualism as positive, a basis for motivation, attainment, and inventiveness. Other societies viewed it negatively and believed the characteristic to give rise to defiant behaviors. In order to be a successful manager in a country rated high on this index, one must employ strategies that allow individuals to make decisions, use initiative, and internal drive to direct their work. In countries low on this measure, management's strategies might be just the opposite.

Hofstede (1984, 1991) developed the measure of Individualism based upon surveys at IBM, a multinational company in the 1960s and 1970s. This allowed for comparable samples to be taken from one country to another. The
survey questions belonged to a set of fourteen work goals about which subjects were asked to respond to the question "try to think of those factors which would be important to you in an ideal job; disregard the extent to which they are contained in your present job. How important is it to you to..." (Hofstede, 1991, p. 111). This was followed by the items, scored on a scale rating them (1) of utmost importance to me, through (5) of no importance. When the results were calculated, two dimensions emerged, Individualism versus Collectivism and Masculinity/Femininity. The Individualism dimension was most strongly associated with (a) personal time, (b) freedom, and (c) challenge, related to having challenging work to do. For the collectivist end of the continuum, (a) training, (b) physical condition, and (c) use of skills were the attributes found to be most selected. If the IBM employees selected the item, personal time, as most important, they were likely to select freedom and challenge as well. Thus, their country was ranked as individualistic. Similar measurement scales were developed for each of the other dimensions as well, although the methodology varied somewhat from one dimension to the next.

Vitell et al. (1993) posited that the business people in collectivist societies are not easily separated from the groups to which they belong, including industry, professional, and business groups. Thus, there is a high probability that business people in these societies will be influenced by the norms of these groups. On the other hand, business people from a highly individualistic country,
such as the US, will be less influenced by such norms. Further, this dimension referred to the degree to which individual decision-making and action were accepted and encouraged by the society. Table 2 summarizes and compares the characteristics of individualistic and collectivist societies as proposed by Hofstede (1984, 1991).

According to Vitell et al. (1993), an individualistic culture promotes a personal desire for wealth, more so than a collectivistic culture. Therefore, the researchers theorized it to be more likely that business people belonging to a highly individualistic culture (US) would resort to unethical behavior to achieve personal goals. In comparison, business people belonging to more collectivistic cultures (Japan) were posited to be more motivated towards a collective objective, such as organizational profits; consequently, they would consider organizational interests to be relatively more important than personal interest. With respect to business ethics then, they are more likely to be guided in their views and practices by organizational interests.

**Uncertainty Avoidance Dimension**

Hofstede’s Uncertainty Avoidance dimension (1984, 1991), deals with the extent to which individuals within a culture feel threatened by unclear or uncertain situations, and the extent to which these individuals attempt to avoid such situations by adopting strict codes of behavior and a belief in absolute truth.
Table 2

**Individualism versus Collectivism Dimension**

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<thead>
<tr>
<th>Individualism (US culture)</th>
<th>Collectivism (Japanese culture)</th>
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<tr>
<td>1. Loose ties between individuals</td>
<td>Strong ties</td>
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<tr>
<td>2. Society leaves a large amount of freedom to individuals</td>
<td>Society restricts freedom of individuals</td>
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<tr>
<td>3. Society promotes self-interest over group interest</td>
<td>Society promotes group interest over self-interest</td>
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<tr>
<td>4. No adherence to group norms by individuals</td>
<td>Adherence to group norms: Groups protect interests of their members and, in turn, expect permanent loyalty.</td>
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<tr>
<td>5 Wealthy countries more individualistic</td>
<td>Poor countries more collectivistic</td>
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<tr>
<td>6 Loose ties between individuals, people look after self</td>
<td>Strong ties between individuals, and close family members look after extended family members</td>
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\(^a\) Adapted from the work of Hofstede (1984, 1991).
These dimensions are offered in Table 3 (Vitell et al., 1993, p. 754). It summarizes and compares general characteristics of societies based on Uncertainty Avoidance, as theorized by Hofstede.

A society high on Hofstede's Uncertainty Avoidance dimension (1984, 1991) (Japan), develops group and organizational norms in order to reduce, avoid, or eliminate perceived uncertainty. Since avoidance of uncertainty is the goal, it follows that deviations from these norms are less likely to be tolerated in societies high on Uncertainty Avoidance in comparison to a country low on the dimension (US). Low Uncertainty Avoidance shows that the society is comfortable with a high degree of uncertainty and not unduly frightened by the unknown. Some societies view certainty as imperative so that its members can operate without concern for consequences of perceived uncertainty. Other societies consider uncertainty to be a force for providing excitement resulting in innovation and transformations.

Effective management in countries with high uncertainty avoidance arrange for job security, work roles that are delineated carefully, and joint decision-making opportunities. In countries with low uncertainty avoidance, job security is not the major focus of management or workers, uncertain ventures might be encouraged and decisions may be arrived at hastily, without the need for extensive research.
<table>
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<tr>
<th>High (Japanese culture)</th>
<th>Low (US culture)</th>
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<tbody>
<tr>
<td>1. Members have high level of anxiety</td>
<td>Members feel relatively secure</td>
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<tr>
<td>2. Life’s uncertainties upset members</td>
<td>Members realize they must live with uncertainty and are not upset by it.</td>
</tr>
<tr>
<td>3. People tend to be aggressive, nervous, and emotional</td>
<td>People tend to take each day as it comes</td>
</tr>
<tr>
<td>4. Society has institutions that try to create security and avoid risk; through</td>
<td>Take risks fairly easily</td>
</tr>
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<td>technology, law, formal rules, and religion</td>
<td></td>
</tr>
<tr>
<td>5. Members are intolerant of those who deviate from the norm</td>
<td>Tend to be tolerant of people who are different, don’t feel threatened by them</td>
</tr>
<tr>
<td>6. Religions tend to claim absolute truth and do not tolerate other religions</td>
<td>Religions are more relativist</td>
</tr>
</tbody>
</table>

\(^{a}\) Adapted from the work of Hofstede (1983, p. 83).
Additionally, Vitell et al. (1993) suggested ethical norms will be more guided by industrial, professional, or business rules in countries with high Uncertainty Avoidance dimensions (Japan). Consequently, violations of the rules are less expected in countries with high Uncertainty Avoidance (Japan), as is true with countries high on Collectivism (Japan).

The same logic applies to countries low on the Uncertainty Avoidance dimension (US). A culture with high Uncertainty Avoidance forms rules to reduce uncertainty and is intolerant of deviance. Such a society "can be expected to have a high degree of accuracy in predicting the actions of individuals who share the membership of any social unit. Therefore, it is expected that for individuals to continue to be members of a social group, the consequences of their actions must be perceived by the membership to be desirable to the majority of the group members." This promotes ethical behavior that promotes group interest, in contrast to promotion of self-interest in societies low on Uncertainty Avoidance (US).

**Masculinity/Femininity Dimension**

In Hofstede's next dimension (1984, 1991), Masculinity/Femininity, the fundamental issue is the division of the roles between genders in a society. The typical responsibilities and roles of men or women within a society can vacillate. Hofstede’s typology categorized cultures based on whether they minimized or
maximized social gender role divisions. Table 4 further explains Hofstede's Masculinity/Femininity dimension.

A country with a high masculinity rating, such as Japan, would exhibit a higher degree of traditional male values, such as assertiveness, accomplishment, enterprise, attainment, and material success, than would a country with lower ratings. In countries high on the masculinity index, men were dominant and the gender roles were clearly defined. Gender roles were more flexible, having feminine values, in societies with lower scores on Hofstede's index (1984, 1991). Effective management in countries with high scores on the Masculinity/Femininity index would encourage delineated gender roles, awards for achievements, and high performance with money. Societies low on the Masculinity/Femininity index would expect management to recognize gender equitable roles and quality of work life, along with less tangible rewards, not only performance-based measures.

Vitell et al. (1993) linked the masculinity/femininity dimension to the degree of acceptability of unethical norms and conduct. Since masculinity was associated with ambition, competitiveness, and the push for material success, the obvious implication was that these goals might blind an individual with respect to the ethicality of an action, in spite of existing rules and policies. There might be a limitation in this dimension, in that the US and Japan were both rated...
Table 4

**Masculinity/Femininity Dimension**

<table>
<thead>
<tr>
<th>High (Japanese culture)</th>
<th>Low (US culture)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Men are more assertive and dominant</td>
<td>Women are more service-oriented, caring</td>
</tr>
<tr>
<td>2. Large social gender role division</td>
<td>Small social gender role division</td>
</tr>
<tr>
<td>3. Men show off, perform, achieve visible results; money, being big is important</td>
<td>Women more service-oriented, caring</td>
</tr>
<tr>
<td>4. Public hero is the overachiever, he who accomplishes much</td>
<td>Public compassion goes to the weak</td>
</tr>
<tr>
<td>5. Men have challenging work to do, sense of personal accomplishment</td>
<td>Women know they can remain in present position as long as desired</td>
</tr>
</tbody>
</table>

*a* Adapted from the work of Hofstede (1984, 1991).
relatively high in this dimension, as related to many other countries. Japan was rated somewhat higher than the US, but the margin of difference was smaller here than between the factors in the other dimensions.

High pressure selling may be regarded as just good business without any ethical connotation in masculine cultures, although the behavior involved in high pressure selling may be frowned upon by both the firm and customer. On the contrary, feminine (US is lower in masculinity) cultures emphasize harmony and gentler values and, therefore, may view high pressure selling as unethical and unacceptable.

**Power Distance Dimension**

Hofstede’s Power Distance dimension (1984, 1991) addressed the manner in which cultures deal with inequalities among people. This dimension is not included in the study, due to the closeness of Japanese and US scores, as reported by Hofstede.

**Summary**

The first section of the literature review presented a basis for the use of selected variables in this study. The studies reviewed dealt with the effect of individual respondents' demographic characteristics on their ethical perception. Topics included students and their ethical views, business versus non-business students and ethics, gender and ethics, family background and ethics, and citizenship and ethics.
A literature review was completed in the areas of ethical decision-making. By investigating this literature, that supportive of or that in refutation of the ethical decision-making models, a better understanding of the predictive use of the models as they relate to individuals' behavior was realized. Moreover, demographic characteristics associated with those behaviors were identified.

This study compared college students' ethical perceptions and their intended beliefs and behaviors. Consequently, the studies relating to college students' ethical perceptions were reviewed and their results were inconsistent and inconclusive. Several studies revealed that college students believed their own value systems to be more ethical than those of their peers (Arlow & Ulrich, 1980; Brenner & Molander, 1977; Ferrell & Weaver, 1978; Newstrom & Ruch, 1975). Students reported that faculty and managers would be less ethical than they would in Arlow & Ulrich’s study (1980), while the opposite was reported to be true in other studies.

Outcomes of studies comparing business and non-business majors indicated that business students were less ethical than other majors (Hawkins & Cocanougher, 1972); some studies indicated that business students were more ethical than others (Beltramini, et al.); while major had no effect in other studies (McNichols & Zimmerer, 1985). Once again, the results of the studies are inconsistent; but the studies used different survey instruments and different questions, so there may be reasons for the inconsistencies.
On the variable, gender, Gilligan (1982) noted that early research had excluded females, a factor that may have led to biased theory. For this reason, her male- and female- oriented moral perspectives theories were examined and this variable was made part of the present study. In many of the studies since Gilligan, females' ethical decisions were found to be less self-oriented and more care- or responsibility-oriented than were males', while gender appeared to have had no effect in other studies (Beltramini et al., 1984; Browning & Zabriskie, 1983; McNichols & Zimmerer, 1985; Ruegger & King, 1992, Whipple & Swords, 1992).

Likewise, cross-cultural studies resulted in an array of conflicting findings. Comparing students from a variety of western countries, some differences were noted. When comparing students from countries with widely different cultural, social, and economic conditions, many ethical orientations were found to be different. This caused some researchers to posit that people in less developed countries had less of the luxury of choice in making ethical decisions (Kennedy & Lawton, 1996). In other studies, no differences were found between subjects' ethical orientations (Abratt et al., 1992). Overall, more research is needed to determine the validity of theories that suggest a relationship between culture and ethics.

For this study, a set of vignettes were written and designed to elicit student responses to situations in which ethical or unethical choices could be
made. Therefore, a literature review was completed on the topic of vignette usage in evaluating subjects' ethical decision-making.

Finally, Hofstede’s framework (1984, 1991) for cross-cultural ethical values was reviewed, along with Vitell et al.'s ethics propositions (1993) that related to Hofstede’s dimensions. Each of Hofstede’s dimensions was presented, along with the relationships of Vitell's propositions to those dimensions.

Some of the studies examined for this literature review on culture and ethics did not reach consistent conclusions. A gap exists in the literature as relates to the ethical behavior of students. This study focused on this lack of definitive answers. Outcomes of this study add to the existing body of knowledge of ethics and culture as they relate to students.