CHAPTER 5

"Diversity--both domestic and international--will be the engine that drives the creative energy of the 21st century. (Rhinesmith, 1993, p. 5)

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The study of the effect of culture on ethics is important to the practice of business and has implications for the classroom. A summary of the study is presented in this chapter, including a discussion of the conclusions and recommendations.

Summary

In an era of increasing globalization of business and the importance attached to ethical concerns, clearly delineating the linkage between culture and ethical norms and behavior is needed. This research is a step in that direction.

Hofstede's research (1984, 1991) on the value orientations of internationally placed IBM employees indicated that managers should adjust corporate management philosophy to match the beliefs, values, and behaviors of host countries. Hofstede's research (1983a, 1983b, 1984, 1986, 1991, 1994) resulted in a set of five cultural value dimensions that have been adapted as the foundation of the current study. Of his dimensions, three were used in this study: Individualism versus Collectivism, Uncertainty Avoidance, and Perceives
Ethical Problems. Later, Vitell et al. (1993) developed a conceptual framework that linked propositions of business ethics theory with Hofstede's cultural dimensions (1984). The extent to which three of Hofstede's dimensions (1984, 1991) or cultural indexes related to three ethical propositions adapted from Vitell et al. (1993), were examined. The study sought answers to two research questions:

1. *Does a relationship exist among students’ ratings of the ethicality of business situations involving business communication and selected demographic variables?* The demographic variables include (a) major, (b) gender, and (c) family employment background.

2. *Do students’ ratings of the ethicality of business situations and their willingness to act in an ethical versus unethical manner when confronted within the same context support selected aspects of Hofstede's theory (1984, 1991)?*

Numerous authors have pointed to the need for ethical practices in business (Beltramini, Peterson, & Kozmetsky, 1984; Cole & Smith, 1996; Coye, 1986; Newstrom & Ruch, 1975, 1976) and to the many instances of ethical abuses in recent years (Pitt & Abratt, 1986; Stewart, Felicetti, & Kuehn, 1996). Studies have reported students' attitudes, beliefs, and behaviors toward ethical business practices (Arlow & Ulrich, 1980; Beltramini et al, 1984; Hawkins & Cocanougher, 1972; McNichols & Zimmerer, 1985; Moore &
Radloff, 1996; Ruegger & King, 1985). However, most of the studies have not attempted a detailed examination of ethical issues from a theoretical perspective. Therefore, this study was based on a well-developed theory by Hofstede (1984, 1991) and the ethical propositions developed by Vitell et al. (1993) that relate to it.

**Research Methodology**

For this study, quantitative research methodology was used to assess data collected with a vignette-style questionnaire. Vignettes have been used in business ethics research because they are believed to improve the quality of data in this type of research (Alexander & Becker, 1978). The survey vignettes were developed by surveying the literature, conferring with experts, and revising the vignettes based upon reviews completed by two panels of experts. From the survey of the literature, a master list of possible ethical elements evolved that included items that fit portions of the ethical classification scheme developed by Vitell et al. (1993), including (a) Professional, Industry, and Organizational Codes of Ethics (PIO Codes), (b) Self versus Organization as Most Important Stakeholder, and (c) Perceives Ethical Problems. The vignettes once written, were sent to two panels of experts, then revised to assure portrayal of an ethical decision with clear definitions of key players, a believable business context, and language clarity. The Cronbach alpha statistic was used to calculate reviewer inter-rater reliability, resulting in an
alpha score of .8841. This indicated that a high degree of consistency existed among scale item scores for the second expert panel. The instrument was then pilot tested by a group of Japanese and US students similar to those included in the study and was revised based upon their responses and suggestions.

Each of the 404 surveys was mailed to a participant in a packet containing directions for completing the instrument, an informed consent letter, a Prize Winner Notification Card, and return envelopes. Subjects read the six vignettes, answered two questions relating to each, provided selected demographic information, then submitted the survey and a Prize Winner Notification Card in separate envelopes. One $100, one $50, and ten $5 cash prizes were awarded as incentives for students to complete the survey.

Responses to the research questions were analyzed in several ways. For Research Question 1, correlations were used to determine the nature and degree of relationships among Belief and Behavior scores and the demographic variables of gender, citizenship, major, and profit or not-for-profit business backgrounds of parents or guardians. Using a correlation coefficient interpretation (Hinkle et al., 1979), few moderate and no strong relationships were found among students' responses to the six vignettes on the Belief measure, with only eight cells in the matrix showing low positive correlations. On Behavior questions, two correlations were moderately positive, and seven
were low positive. For Research Question 2, the Belief and Behavior scores were first analyzed using a chi square technique to determine if subjects' demographic characteristics related to different vignette responses. The results revealed a significant chi square difference between responses of Japanese and US students for each demographic characteristic, major, gender, and family employment background. They were, thus, included in the analyses of variance. The means and standard deviations of student responses to vignette items revealed higher scores for Japanese students on each of the measures, both Belief and Behavior. ANOVAs were used to examine the differences between the Japanese and the US students' responses.

Results

The 33 Japanese and 79 US students returning the surveys attended ten colleges and universities in West Virginia during Spring Semester 1997, and had been identified by each institution's registrar as a Japanese or US student. The response rate was 30.7%.

Based upon the dimensions developed by Hofstede (1984, 1991) and Vitell et al.'s propositions (1993), each of the study's vignettes was designed to portray a situation that might be considered subtly unethical. The ANOVA calculations revealed that Japanese and US students' responses to the vignettes did not differ in significant ways; as Hofstede's dimensions (1984, 1991) posited.
On the Individualism versus Collectivism dimension related to Professional, Industry, and Organizational Codes of ethics, and also on those related to Self versus Organization as Most Important Stakeholder, the findings did not support the differences that were purported to exist between the cultures. On the Uncertainty Avoidance dimension related to Professional, Industry, and Organizational Codes of Ethics, and then, again, related to Self versus Organization as Most Important Stakeholder, the findings did not support the differences that were purported to exist between the cultures. Finally, no significant difference was found in the Masculinity/Femininity dimension. This result failed to support Hofstede’s theory (1984, 1991) that more masculine cultures are less likely to see situations in business as having ethical components; they are more likely to not evaluate the situations with respect to ethics and accept them without much thought, and go forward. Therefore, this portion of Hofstede’s cultural dimensions model (1984, 1991) also was not supported.

In summary, none of the six hypotheses relating to Hofstede’s dimensions (1984, 1991) was supported. The findings did not support the differences that were purported to exist between the cultures. Although in some isolated instances, statistically significant differences were found (Belief scores on Vignettes B and D on Individualism versus Collectivism and Uncertainty Avoidance typologies), Hofstede’s implied belief of difference
between the cultures was not supported. According to Hofstede's predictions, US students’ responses should be higher than those of the Japanese, however, the responses reported in Tables 19 and 20 show just the reverse. On the whole, based on the parameters of this study, the ethical Belief and Behavior implications of Hofstede were not supported.

Further, no significant findings surfaced related to the subjects’ demographic characteristics. Gender, Major, and Parents or Guardians Work for a Profit or Non-Profit-Making Business and Belief and Behavior responses were found to be weakly correlated. The demographic characteristics were found to relate to respondents’ ethical beliefs and behaviors only at the low positive level, with a few exceptions at the moderate positive level.

Discussion

The outcomes of this study indicated that some relationships existed between cultural backgrounds; Japanese and US students’ responses to the study's vignettes differed. However, the relationships were not the ones expected nor those posited by Hofstede (1984, 1991).

Some possible reasons for the differences are briefly discussed here.

1. It may be likely that the two groups of subjects in this study were of different socio-economic backgrounds. Japanese students studying in the US may come from high socio-economic backgrounds, while many US students studying in West Virginia come from lower socio-economic backgrounds.
2. The hypotheses, suggested by Vitell et al. (1993) as they related to Hofstede's dimensions, had not been tested prior to this study. This study was the first such examination of the hypotheses.

3. Subjects in the study were students surveyed in 1997, who may differ in their responses from Hofstede's subjects, IBM employees (1984) surveyed in the 1970s. Successful employees in multinational corporations may have some personal characteristics that draw them to careers in the international marketplace, allow them to live abroad, and enable them to acculturate in those environments. Students in WV colleges and universities, particularly those identified as US students, varied considerably from the IBM group.

4. Japanese subjects involved in this study were living in the US rather than in Japan. Thus, they may have acculturated to some degree, changing the responses that would be expected based upon Hofstede's dimensions (1984, 1991). They may not share as many culture-based beliefs about ethics as do Japanese students who have not left their homeland.

5. Cross-cultural contacts have increased tremendously since Hofstede's study and these may have influenced the orientations of the study's subjects to other cultures. The availability today of many western ideas, products, and services may have had an effect on Japanese students'
perceptions of the US students' cultural ethical framework. This factor was not apparent in Hofstede's results.

6. The surveyed students may not have had business backgrounds that were adequate to understand the subtleties of the vignette situations. Students who have not worked may not be able to distinguish the ethical parameters that exist in business today. For this study, 48.5% of the Japanese respondents had never been employed.

7. While Vitell et al. (1993) suggested that the Hunt and Vitell (1986) marketing ethics model used was "easily generalized to apply to all business situations," this may not be the case. Perhaps, the theory’s efficacy is greater when used solely in marketing ethics situations.

8. The respondents in this study were 79 US and 33 Japanese students, data were collected from one state, West Virginia. Therefore, the results may not accurately reflect the Beliefs and Behaviors of the Japanese and US populations, in general. Hofstede's theory (1984, 1991) was tested within a huge multi-national corporation, in many countries. The subjects in that study were older, employed, familiar with the workplace, and had been faced with real-life ethical dilemmas.

9. Nunnally (1978) stated that "there is strong evidence that the average person tends to describe himself or herself in a socially desirable
manner on self-inventories" (p. 557). Thus, there may have been some
unanticipated bias in the responses and the results.

Conclusions

Conclusions that relate to each of Hofstede's three cultural dimensions
(1984, 1991), that served as the basis for this study, are presented here.

Individualism versus Collectivism Dimension

The theory established by Hofstede (1984, 1991) that individuals from
the Japanese culture will be more willing to work for organizational than for
personal gain because they belong to a collectivistic society may not be true,
particularly for students. Hofstede's model suggests that individuals in highly
individualistic countries take initiative, make decisions easily, and like to work
on their own. In contrast with Hofstede's theory, the findings in this study
suggest that the Japanese students surveyed may be more likely to display
behavior showing these characteristics, than would US students. Three of the
eight analyses of variance for Individualism versus Collectivism were
significant, as exhibited in Tables 22, 26, and 28. Since the theory was not
consistently supported, results of this study suggest that students may have a
different perspective than the business community surveyed by Hofstede.

Uncertainty Avoidance Dimension

The perception established by Hofstede (1984, 1991) that members of
the Japanese culture would be more uncomfortable with uncertainty than those
from the US culture may not be true for today's students. Responses from the subjects in this study did not follow the theory of Hofstede on this dimension. In three instances, the ANOVAs for Uncertainty Avoidance on the Belief and Behavior questions were significant at the .05 level, with Japanese students having scored higher, as exhibited in Tables 22, 26 and 28. This finding suggests students' cultures do not necessarily imply comfort or discomfort with a high degree of uncertainty. In fact, the results of this study imply just the opposite, i.e., that the Japanese students surveyed would be more comfortable with uncertainty than would US students. It may be that Japanese students who travel and study abroad are more adventuresome and comfortable with uncertainty than are their counterparts who choose to remain in Japan.

Masculinity/Femininity Dimension

The perception established by Hofstede (1984, 1991) that members of the Japanese culture will be more comfortable with traditional male values, such as assertiveness, material success, male dominance, and clearly defined gender roles may not be true for today's students, as it was for Hofstede's subjects. Hofstede's (1984) model suggests that individuals in societies with low Masculinity ratings have more flexible gender roles, more feminine values, more interest in quality of life issues than do societies with higher Masculinity ratings. The findings in this study do not suggest that the Japanese students would be more likely to show the masculine characteristics than would US
students, thus failing to support Hofstede’s theory (1984, 1991). In this study, ANOVA analyses for Masculinity/Femininity on Belief and Behavior question responses were significant as exhibited in Tables 29 and 31. The Japanese students’ responses were higher than the US students, indicating less ethical beliefs and behavior.

**Recommendations for Instruction**

The following recommendations for instruction are based on the preceding conclusions relative to each of Hofstede’s dimensions.

**Individualism versus Collectivism**--Since Hofstede’s theory (1984, 1991) was not supported on this dimension, instructors should be made aware that students can have different perspectives than the business community surveyed by Hofstede. As results of this study indicated, today’s students may not have had the same experiences, personality characteristics, and attitudes once found among Hofstede’s subjects (1984, 1991). Instructors should be aware that while perceptions of countries as individualistic or collectivistic do exist, treating every member of the society exactly the same is ill-advised. Hofstede’s cultural model provides only a simplified means of viewing cultures. All cultures and the members within them carry great complexities of characteristics, and this must be recognized in instructional settings.

Following Hofstede’s theory (1984, 1991), effective instruction for students from highly collectivistic countries (Japan) would incorporate group
work, group decision-making, and teamwork to a higher degree than might be seen in less collectivistic countries. Instruction in highly individualistic countries (US) would need to allow individuals to use their own motivation to make decisions and to work alone. However, responses of the subjects in the present study suggest that instructors cannot assume Japanese students have collectivistic ethical beliefs and US students do not. This finding is congruent with the philosophies behind current business theories that foster collectivism over individualism. Today’s workplace emphases on work teams, work groups, and total quality management-related principles indicate the need to develop cohesion and a sense of trust among workers in business environments. This focus suggests that all business people need to acquire skills in these principles, whether from individualistic or collectivistic cultures. Thus, students of different cultures who are probably more alike than different, as in the present study, should be instructed in similar ways.

Uncertainty Avoidance Dimension--In an instructional setting, assumptions should not be made about students based simply upon their cultural backgrounds. Following Hofstede's (1984, 1991) theory, effective instructors of students from countries with high Uncertainty Avoidance should provide well-defined assignments and opportunities for students to provide some input into the instructional process. Instructors need to be aware that individuals within countries fitting specific cultural models do not always
conform to the specifications of the models. For students from countries with a low Uncertainty Avoidance rating, the opposite would be true. There should be flexibility in assignments, room for challenges that seem academically ambitious, and the ability for students to make decisions quickly. However, responses of the subjects in the present study suggest that instructors cannot assume Japanese students have less comfort with uncertainty than do US students, in fact, the opposite may be true.

Masculinity/Femininity--Since the theory was not supported, instructors should be aware that students may have a different perspective than do members of the business community that Hofstede (1984, 1991) surveyed. Students’ cultural backgrounds most likely do not reflect the same ethical orientations found among Hofstede’s subjects on this dimension. Following Hofstede's theory (1984, 1991), effective instruction for students from highly masculine countries (Japan) would differentiate learning objectives for male versus female students, stressing achievement more, and providing academic awards for masculine values. Instruction in less masculine societies would call for accepted gender equity, emphasis on quality of educational experiences, and less tangible reward systems, basing the rewards on more factors than performance alone. However, responses of subjects in the present study suggest instructors cannot assume Japanese students have less comfort with Masculinity/Femininity issues than do US students.
In summary, when students leave their educational environments, they are immediately immersed in complex business situations in which they need the ability to make appropriate ethical decisions. Knowledge gained from this type of study can be disseminated to instructors who can offer students a greater range of options for dealing with the ethical problems they may face. Instructors should also use the vignettes in instruction. Instructors should be aware that Japanese and US students are quite similar in their ethical perceptions, and their instruction should be reflective of this.

**Recommendations for Further Research**

The findings of this study include some results that suggest avenues for future research.

1. The vignettes should be used in further research, because their validity and reliability have been established. Validity was established by the reviews of two separate expert panels, and through a subsequent pilot study. Reliability of the vignettes was established through interrater reliability procedures that resulted in a Cronbach alpha statistic of .8841. Thus, a high degree of consistency among scale item scores was found among a panel of five experts.

2. The study should be repeated with a broader based group of Japanese and US subjects. They should represent colleges and universities beyond those of the West Virginia system. The number of Japanese students attending
WV institutions of higher education is low, and there is a possibility this group of students is different from Japanese students attending colleges in other states. US students are likely different, as well, so surveying a wider sample of students would be helpful in understanding the results of the study.

3. Studies should also be undertaken to compare responses of business practitioners with students. As noted earlier, business practitioners often respond differently to ethical situations and comparing current business people’s responses would be important in determining across time differences in studies.

4. The study should be replicated, using individuals from additional cultural backgrounds. Different cultures appear to respond differently to ethics questions and, given the over-time changes and acculturation likely to take place, it would be helpful to compare responses from members of additional cultural backgrounds.

5. Findings from the study do not consistently support Hofstede's theory. This may be due to the changes over time in cultural perceptions, since data collected for Hofstede's studies took place in the 1970s. Therefore, further research to substantiate findings of Hofstede's study and of this study is needed.