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The Associations Among Family Values, Business Ethics, The Environment, And Competition: An International Study

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Abstract

This paper looks at ethical attitudes among international college students and personal versus business ethics, the environment, and competition. The sample includes 541 responses from six countries (Canada, Colombia, Ecuador, Japan, Nepal United States). Hofstede's cultural dimensions were used to explain differences in the perceptions of different countries. Uncertainty avoidance was found to be the most statistically significant of Hofstede's cultural constructs. The image management Le was used to determine the self-deception of respondents. Finally, we controlled for gender when considering our hypotheses.

1.0 Introduction



ne of the cogent questions being asked throughout the media is what can be done to turn the tide in on today's world of unethical business practices. Many believe that it is a lack of moral compass that has led us to this point. Sherman (2001) believes that the problem may stem from a person's ethics philosophy and offers two opposing philosophies:

One adheres to an objective standard of right and wrong.

Right and wrong [are viewed] as fluid and changing depending on the situation and the desired outcome.

Arlow and Ulrich (1988) note that both business students and business executives maintained that family training was by far the most influential aspect of their ethical conduct. Their findings also include that the conduct of their peers and superiors was the second most influential. Sherman (2001) notes that 1000 (500) adolescents begin drinking alcohol (using illicit drugs) every day in the United States. However, drug use by teenagers whose parents set clear rules is 59 percent lower than the general population of teenagers.

This paper discusses cultural differences in perceptions of ethics in the context of business versus personal lifestyles, conserving natural resources, and competitive advantage and competition. Six hypotheses have been formulated using three of Hofstede's four dimensions: Uncertainty Avoidance, Individualism, and Masculinity. After relating the hypotheses to available literature, questionnaires were sent to various countries including the US, Japan, Ecuador, Colombia, Nepal, and Canada. Our group examined a subset of the questions on the survey. Questions 1 - 3 dealt with the differences between business and personal ethical standards. Question four dealt with corporations conserving natural resources with a risk to profits. Finally, the fifth question dealt with establishing

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ethical standards. After receiving results from the participating countries, the data were analyzed, and several conclusions were made.

2.0 Theory Development

2.1 Overview

Ethics is defined as the study of "whatever is right and good for humans" and can vary greatly between different cultures (Donaldson et al., 1996; Ferret et al., 2002). This variation in ethical perceptions can be explained by cultural relativism, which refers to the degree of similarity of ethics across cultures (Ferrel et al., 2002). The most compelling feature of cultural relativism is that it "infers that one's culture's ethical standard is not better than any others" (Robertson et al., 2000). However, cultural relativism does not neglect the notion that there are certain issues that all cultures view as immoral.

Cultural relativism has been greatly debated due to the difficulty in measuring the intricate nature of cultural differences. Nevertheless, it has been proven that ethicality varies greatly among cultures. This is why "an understanding of the relative morality of each culture regarding specific issues can be extremely helpful in the determination of how moral issues very across societies" (Vitell et al., 1993).

In Hofstede's 1980 publication "Culture's Consequences: International Differences in Work-Related Values," four cultural dimensions were developed to interpret cross-cultural differences: Individualism, Uncertainty Avoidance, Masculinity, and Power Distance. These dimensions have been extremely well established and have been proven reliable (Robertson Ct al, 2000). Hofstede's work is widely accessible, utilized and valued by the government, businesses, health care, the press and the general public (Ketchum, 1993; Fletcher, 2001).

A nation's culture is difficult to measure due to complex factors such as rituals, traditions, religious beliefs, and habits. Hofstede's dimensions aid in explaining these factors. Many moral differences across cultures have been found in studies using Hofstede's four cultural dimensions as well. For example, the rapid globalization that has occurred in recent years has led to an increase in ethical complexity for managers of multinational firms (Velasquez, 2000). Also, from a cross-cultural research perspective, there is strong evidence of cultural differences between managers from different nations (Yaconi, 2001; Ronen, 1986; Trompenaars, 1994).

2.2 Uncertainty Avoidance

Uncertainty Avoidance, as defined by Hofstede, "indicates the extent to which members of a society feel threatened by uncertain and ambiguous situations. Strong uncertainty avoidance people are also more tolerant of unfairness and more believing in absolute truths" (p. 153). The three indicators used to measure uncertainty are rule orientation, employment stability and stress.

According to Hofstede, uncertainty about the future is a basic feature of all human beings (p. 153). However, people use different coping mechanisms to deal with this uncertainty. On an individual level, these mechanisms include technology, law, and religion. On an organizational level, there are also rules and rituals that take place to deal with uncertainty. More specifically, there are two main ways that organizations avoid uncertainty: First, organizations tend to make decisions that have short-term goals. This is a way of trying to make the outcomes of these decisions more predictable. Second, organizations impose very rigid negotiation environments that are filled with bureaucratic requirements. Another uncertainty coping mechanism widely used is corruption (Husted, 1999, p. 186). In uncertain situations, corruption may be a way of securing procedures which otherwise may be impossible to carry out.

A characteristic of a country with high uncertainty avoidance is its emotional resistance to change (Hofstede, 1980). People from these cultures tend to be traditionalists who adhere to the same ideas and standards as a way of dealing with uncertainty. Conversely, people in low uncertainty avoidance cultures have greater readiness to live day by day and are more flexible in their decision-making processes (Hofstede, 1980).

There is strong evidence that links cross-cultural ethicality to uncertainty avoidance (Husted, 1999). Further research in this area asserts that people in low uncertainty avoidance cultures are generally <u>relativistic in their ways of thinking</u> (Adler, 1983; Hoffman et al, 1998). This paper suggests that individuals will become more self-interested, or act less ethically, when the situation dictates (Hoffman, 1998). Consequently, people in a low uncertainty avoidance culture, who are relativistic by nature, would be more prone to act in this situational manner.

Husted also found that, as Uncertainty Avoidance increases, corruption also increases. Uncertainty avoidance explains 30 percent of the variation of the "summed scores of ethical business conduct" for nine European countries (Jeurissen and van Luijk, 1998, p. 999). As uncertainty avoidance increased, perceived ethical behavior in European countries decreased. Arnold et al. (2001) found that, as Uncertainty avoidance increased, European auditors estimated higher values for materiality. Consequently, auditors from more Uncertainty Avoidant countries would be less likely to report an error of fixed size when compared to less Uncertainty Avoidant countries. On the basis of these thoughts, we suggest the following:

H1A: As uncertainty avoidance increases, people will be more likely use the same ethical standards for both business and personal practices.

People in high uncertainty avoidance cultures are not willing to take risks that are not well calculated (Hofstede, 1980). Consequently, changing the proven profit-making methods in order to conserve natural resources would cause anxiety in a country with high uncertainty avoidance. If conserving natural resources involves changing the existing profit-making methods, this would cause emotional distress. For these reasons, we propose the following:

H1B: As uncertainty avoidance increases, less emphasis will be placed on conserving natural resources.

High uncertainty avoidance countries see conflict in organizations as being undesirable (Hofstede, 1980); moreover, consensus brings them a soothing ideological appeal. This would encourage companies in these cultures to reach consensus with their fellow companies to avoid conflict and minimize risk. Low uncertainty avoidance cultures encourage individual decisions, believe in accepting and encouraging dissenting views among cultural members, and are less hesitant to take risks (Hofstede, 1980). This would lead us to think that companies in these cultures set their own standards instead of looking at other companies for theirs. These considerations led to the following position:

H1C: As uncertainty avoidance increases in a culture, a company will be more likely to look to other companies to determine its ethical standards.

2.3 Individualism

Individualism, as defined by Hofstede, "describes the relationship between the individual and the collectivity which prevails in a given society" (p. 213). Essentially, individualists overlook the needs of society to take care of themselves and close family members (Hofstede, 1980). Conversely, collectivistic societies are characterized by more tightly knit social groups, responsibility towards the broader community, and collective purpose regarding what is best for the community (Brady et al., 2000). While people in individualistic cultures are driven by personal values, beliefs and attitudes, people in collectivistic cultures are driven by duties, obligations and social norms. Collectivists have a stronger group identity and often share common goals; consequently, there is more group accountability (Chen et al., 1998). Due to this strong feeling of group accountability, collectivists will have a group-based set of ethical standards.

Upchurch believes that the "ethical moral climate of an organization represents the collective moral atmosphere that exerts pressure on an individual's ethical decision making" (1998, p. 1351). Individualism emphasizes individual rights over duties (McCarty et al., 2001). In a business setting, one can expect people from individualistic cultures to apply their personal standards to assist in ethical decision-making. Conversely, one can expect people in a collectivistic culture to look to others to define what is and what is not ethically acceptable. In a

collectivistic society there is the need to conform to group norms, whereas in an individualistic society, individual decisions are encouraged and praised. Therefore:

H2A: As individualism increases, people will be more likely to use the same ethical standards for both business and personal practices.

According to (Hofstede, 1980), the degree of individualism in an organization's corporate culture will impact the relationship between the person and the organization to which he or she belongs. "More collectivist societies call for greater emotional dependence of members on their organizations (p. 214). Pressure on a subordinate to cover up a supervisor's illegal action would be interpreted by an individualistic culture as coercion, while a collectivist culture may not perceive this to be unethical. (Cohen et al., 1995). In addition, society's level of individualism/collectivism will have an impact on "members' reasons for complying with organizational requirements" (Hofstede, 1980). In a collectivistic culture, decisions are determined by the group rather than by the individual (Husted, 1999). Hence, organizations in collectivistic cultures do not look within the structure to set ethical standards, but look to others to determine what is ethical. Formally:

H2B: As individualism decreases in a culture, a company will be more likely to look to other companies to determine its ethical standards.

2.4 Masculinity

Hofstede describes masculinity as the "measure of assertiveness, wealth, and unconcern for others" (Hofstede, 1980). In a high masculine society, material achievement and success are viewed as the ultimate goal. Masculine societies believe that "consumption has a central status" (Uusitalo, 1991, p. 1). Due to the materialistic nature of masculine societies, consumption is a crucial element in these societies' every day life. The opposite is true for a low masculine society (feminine). In such societies, achievement is not judged by wealth, but by family values and quality of life. The above argument puts forward the subsequent hypothesis:

H2B: As masculinity increases, less emphasis will be placed on conserving natural resources.

In masculine societies, economic growth and higher earnings are more important than preserving the environment and conserving natural resources. Hofstede (1980) believes that environmental concern is downplayed in more masculine cultures. Cohen et al. suggest that "an assertive, masculine society might be more tolerant of aggressive [and/or] questionable behavior" (1995, p. 48). Masculine societies are more concerned with achievement than the effect on the environment. Social responsibilities are thought to be less important than the expansion of wealth growing opportunities (Cohen, 1995). In a business setting, ever-growing large corporations located in masculine cultures are eating up the natural resources. "Performance and growth are important", meaning that there is a lack of concern for what is destroyed in the process of making companies bigger and better (Hofstede, 1980, p. 294).

3.0 Research Design

3.1 Subjects

Our initial sample included 1200 responses from six countries. Because the focus of our research is the ethical perceptions of business majors, we included only the 541 business majors in our sample for analysis. Table 1 shows the distribution of the sample for the six countries: Canada, Colombia, Ecuador, Japan, Nepal, and the United States (Table 1). Differences in sample size should be compensated for by the averaging process necessary because we use Hofstede's cultural constructs in our analysis.

3.2 Research Instrument

The research instrument consisted of five questions, and the impression management questionnaire (Paulus, 1988), and a short background data questionnaire (See Appendix). The instrument was purposely kept short so that the probability of students randomly responding to the questionnaire was minimized. Table 2 shows the means of the data for all countries.

Table 1: Mean Social Desirability Response Bias Scores And Sample Sizes

| Country | Males | Females | Total |
|----------------|-------|---------|-------|
| Canada | 22 | 68 | 90 |
| Colombia | 19 | 46 | 65 |
| Ecuador | 29 | 43 | 72 |
| Japan | 44 | 7 | 51 |
| Nepal | 4 | 19 | 23 |
| United States | 134 | 106 | 240 |
| Sample Overall | 252 | 289 | 541 |

Table 2:Mean Responses By Country And Gender

| Male Students | | | | | | | Female Students | | | | | |
|---------------|-------|--------------------------------|-----|-----|-----|-----|-----------------|-----|-----|-----|-----|-----|
| Country | Q1 | Q2 | Q3 | Q4 | Q5 | IMS | Q1 | Q2 | Q3 | Q4 | Q5 | IMS |
| Canada | 4.5 | 4.5 | 3.8 | 4.7 | 3.8 | 5.1 | 4.9 | 5.3 | 3.8 | 4.9 | 2.2 | 6.3 |
| Colombia | 3.4 | 5.7 | 2.8 | 5.8 | 2.2 | 7.1 | 3.6 | 6.0 | 2.7 | 5.5 | 2.1 | 7.4 |
| Ecuador | 4.8 | 6.3 | 2.8 | 4.4 | 3.2 | 5.7 | 4.9 | 5.8 | 2.8 | 5.3 | 2.5 | 7.9 |
| Japan | 3.5 | 4.2 | 4.8 | 4.6 | 2.1 | 6.1 | 4.7 | 3.4 | 6.3 | 6.1 | 2.7 | 5.1 |
| Nepal | 4.5 | 5.8 | 5.0 | 4.8 | 4.2 | 6.5 | 5.3 | 5.2 | 4.8 | 3.8 | 2.9 | 6.4 |
| US | 4.3 | 4.3 | 4.0 | 4.0 | 4.2 | 4.3 | 4.2 | 4.9 | 3.9 | 4.4 | 3.8 | 4.9 |
| IMS | Impre | Impression Management Subscale | | | | | | | | | | |

Question one in the second section of the survey addresses whether or not the respondent believes that ethical standards are lower in business matters than in personal family relations. The second and third questions are very similar in that they also address the differences (or lack there of) between the respondent's business and personal ethics. The fourth question addresses the issues of conserving natural resources while risking reduction of corporate profit, which acknowledges concerns with masculinity. The last question in the second section of the survey involves ethical standards between competitive organizations; it tests the respondent's views of the power of one organization's ethical/unethical practices over those of another organization.

We sent the scenario and questionnaire to the contact person (i.e., usually a professor at university in the country). For three of the six countries (Colombia, Ecuador, and Japan), we translated our questionnaires into the country's language. Questionnaires were translated and back translated to ensure correct information was communicated.

3.3 Procedures

The surveys were emailed to of the contact person in each country. This procedure allowed us to establish a positive contact and insured a consistent explanation of the survey. The contact person in each country was asked to randomly distribute the surveys to university students. We also included a background questionnaire as part of the survey instrument. This questionnaire requested information on age, gender, major area of study and nationality. In each country, there were international students who responded to the survey; these students were eliminated from our sample. The completed surveys were then express mailed back to our professor.

3.4 Variables

Because Hofstede's cultural constructs are the average reaction of individuals from each country, the responses from each country were averaged to produce a most likely estimate by country and gender. This procedure produced 12 unique estimates for each question (i.e., two for each country) that we used as the dependent variable for testing our hypotheses.

Hofstede cultural constructs are a "set of likely reactions of citizens with a common mental programming" (1991, p. 112). Hofstede's Uncertainty Avoidance scores (Figure 1) were the result of sampling over 100,000 employees from the 53 countries of a large multi-national corporation (1980).²

Figure 1: Hofstede's Cultural Constructs By Country

Uncertainty Avoidance (1980, p. 165)

| | | | | US | | | | | |
|----------|----------------------|-------------|---------|---------|---------|---------|---------|---------|--------|
| | | | NE | CA | | EC | CO | | JA |
| 01 - 10 | 11 - 20 | 21 – 30 | 31 – 40 | 41 - 50 | 51 - 60 | 61 – 70 | 71 - 80 | 81 - 90 | 91-100 |
| | | 1 | | ı | ı | 1 | ı | | |
| Individu | alism (1980, | p. 222) | | | | | | | |
| | | | | JA | | | | | |
| EC | CO | | | NE | | | CA | | US |
| 01 - 10 | 11 - 20 | 21 - 30 | 31 – 40 | 41 - 50 | 51 - 60 | 61 – 70 | 71 - 80 | 81 - 90 | 91-100 |
| | • | • | • | | | | | • | |
| Masculii | <u>ity (1980, p.</u> | <u>279)</u> | | | | | | | |
| | | | | | | US | | | |
| | | | | | CA | EC | | | |
| | | | | | NE | CO | | | JA |
| | | | | | | | | | |
| 01 - 10 | 11 - 20 | 21 - 30 | 31 - 40 | 41 - 50 | 51 - 60 | 61 - 70 | 71 - 80 | 81 - 90 | 91-100 |

Hofstede's constructs adopted for this survey are Individualism, Uncertainty Avoidance, and Masculinity. The first construct utilized, Individualism, addresses the "relationship between the individual and collectivity which prevails in a given society" (Hofstede 1980, p. 23). This concept implies that those with more individual ideals/traits will be more centrally focused on his/herself as opposed to those with more collectivist ideals/traits who will be more concerned with taking principles from a given society. The second construct, Uncertainty Avoidance, involves the fears that a society harbors for uncertain situations (Hofstede, 1980). The society that is rated high in uncertainty avoidance tends to have more rules and regulations to aid in avoiding uncertain situations. The last construct utilized within the study, Masculinity, addresses more material issues. Hofstede believes that a more masculine organization will tend to be material driven and less concerned with issues other than monetary.

Assumption: Due to the cultural similarities between India and Nepal, we have associated Hofstede's findings on India to be representative of Nepal.

3.5 Control Variables

Given of the findings in "Gender-Based Differences in Perception of a Just Society", we controlled for the participants' gender and for their propensity to inflate their responses to the questions included in our survey. As part of our questionnaire, we used the impression management portion of Paulhus' Balanced Inventory of Desirable Responding (BIDR) (1986). The impression management portion of the BIDR is a 20-item subscale that had the overall highest correlation with seven other social desirability measures reported by Randall and Femandes (1991). We used this questionnaire because Hofstede's cultural constructs are based on participants responding honestly to the questions in the survey.

4.0 Data Analysis

4.1 Personal versus Business Ethics

For question one we tested the effects of uncertainty avoidance (H1A), and individualism (H2B) on the convergence of personal and business ethics. Our hypothesis suggested that as uncertainty avoidance and individualism increased, the responses for question one should be lower. The statistical significance for uncertainty avoidance supported our hypothesis at a low level. Neither individualism nor the interactive term was found to be statistically significant. We controlled for gender and found it to be statistically significant. Finally, the Image Management Subscale was not significant.

Table 3: Models Relating To Family Values And Business Ethics

| PANEL A: Business Ethics versus Family Ethics | | | | | | | | |
|---|----------------------------|------------------------|----------|---------------------|--|--|--|--|
| Model | Adj Rsquare | DF | F Factor | Significance | | | | |
| Regression | 0.762 | 9 | 6.78 | 0.0437 | | | | |
| | | | | | | | | |
| <u>Term</u> | Coefficient | Std Error | T Stat | <u>P-value</u> | | | | |
| Intercept | 7.26 | 1.59 | 4.57 | 0.0103 | | | | |
| Uncertainty Avoid | -0.04 | 0.01 | -3.80 | 0.0191 | | | | |
| Individualism | -0.01 | 0.01 | -1.07 | 0.3443 | | | | |
| UA * Indiv | 0.00 | 0.00 | 2.65 | 0.0569 | | | | |
| IMS | 0.03 | 0.23 | 0.14 | 0.8985 | | | | |
| Gender | 0.02 | 0.17 | 0.11 | 0.9195 | | | | |
| PANEL B: My business | ethics are as high as my f | | | | | | | |
| <u>Model</u> | Adj Rsquare | <u>DF</u> | F Factor | <u>Significance</u> | | | | |
| Regression | 0.753 | 9 | 6.49 | 0.0470 | | | | |
| | | | | | | | | |
| <u>Term</u> | Coefficient | Std Error | T Stat | <u>P-value</u> | | | | |
| Intercept | 8.65 | 1.79 | 4.83 | 0.0085 | | | | |
| Uncertainty Avoid | -0.02 | 0.01 | -1.45 | 0.2916 | | | | |
| Individualism | -0.03 | 0.01 | -4.05 | 0.0155 | | | | |
| UA * Indiv | -0.00 | 0.00 | 1.77 | 0.1520 | | | | |
| IMS | -0.22 | 0.26 | -0.85 | 0.4443 | | | | |
| Gender | 0.25 | 0.19 | 1.29 | 0.2663 | | | | |
| PANEL C: My business | ethics are sometimes inco | nsistent with my famil | y ethics | | | | | |
| Model | Adj Rsquare | <u>DF</u> | F Factor | <u>Significance</u> | | | | |
| Regression | 0.651 | 9 | 4.36 | 0.0892 | | | | |
| | | | | | | | | |
| <u>Term</u> | Coefficient | Std Error | T Stat | <u>P-value</u> | | | | |
| Intercept | 2.90 | 2.36 | 1.23 | 0.2855 | | | | |
| Uncertainty Avoid | 0.01 | 0.01 | 1.01 | 0.3624 | | | | |
| Individualism | 0.02 | 0.01 | 2.36 | 0.0776 | | | | |
| UA * Indiv | 0.00 | 0.00 | 3.33 | 0.0291 | | | | |
| IMS | -0.07 | 0.35 | -0.19 | 0.8588 | | | | |
| Gender | 0.06 | 0.26 | 0.22 | 0.8354 | | | | |
| IMS Paulhus' | Image Management Subsca | ale | | | | | | |

Our hypothesis proposed that there would be a positive correlation between both of Hofstede's values of uncertainty avoidance (H1A) and individualism (H2A) and the responses for question two. Uncertainty avoidance, individualism and the interactive term all proved to be statistically significant; however, these findings did not agree with our hypothesis because there was a negative correlation between uncertainty avoidance and individualism. The image management subscale was not significant. We also controlled for gender, but did not find it to be statistically significant.

For question three, uncertainty avoidance (H1A) and individualism (H2A) were used. We expected to see, just as in question number one, that a negative correlation between these values and the responses for the questions. We found that uncertainty avoidance was not significant. Individualism proved to be statistically significant but did not support our hypothesis because it showed a positive correlation with responses. The interactive term between uncertainty avoidance and individualism and the image management subscale were not statistically significant. We controlled for gender but did not find it to be statistically significant.

4.2 Environment

In question four, masculinity (H3A) and uncertainty avoidance (H1B) were tested. Our hypothesis suggested that as masculinity and uncertainty avoidance increased, the response would decrease (Table 4). Uncertainty avoidance was significant and contradicted our hypothesis. Masculinity and the interactive term did not prove to be significant. Additionally, the image management subscale was not significant. Finally, we controlled for gender, however it did not prove to be statistically significant.

Table 4: Models For Conservation And Competition

| PANEL D: Conserving natural resources even if it reduces corporate profits | | | | | | | | | |
|--|--|-----------|----------|---------------------|--|--|--|--|--|
| Model | Adj Rsquare | <u>DF</u> | F Factor | Significance | | | | | |
| Regression | 0.390 | 9 | 2.92 | 0.1227 | | | | | |
| | | | | | | | | | |
| <u>Term</u> | <u>Coefficient</u> | Std Error | T Stat | <u>P-value</u> | | | | | |
| Intercept | 2.29 | 1.17 | 1.95 | 0.0986 | | | | | |
| Masculinity | -0.01 | 0.01 | -0.48 | 0.6451 | | | | | |
| IMS | 0.47 | 0.16 | 2.93 | 0.0263 | | | | | |
| Gender | -0.21 | 0.19 | -1.15 | 0.2934 | | | | | |
| PANEL E: Competition a | PANEL E: Competition and Competitive Advantage | | | | | | | | |
| <u>Model</u> | Adj Rsquare | <u>DF</u> | F Factor | <u>Significance</u> | | | | | |
| Regression | 0.888 | 9 | 15.34 | 0.0102 | | | | | |
| | | | | | | | | | |
| <u>Term</u> | Coefficient | Std Error | T Stat | <u>P-value</u> | | | | | |
| Intercept | 6.83 | 1.21 | 5.63 | 0.0049 | | | | | |
| Uncertainty Avoid | -0.03 | 0.01 | -3.30 | 0.0299 | | | | | |
| Individualism | -0.00 | 0.00 | -0.61 | 0.5769 | | | | | |
| UA * Indiv | -0.00 | 0.00 | -1.30 | 0.2624 | | | | | |
| IMS | -0.38 | 0.18 | -2.11 | 0.1020 | | | | | |
| Gender | -0.04 | 0.13 | -0.28 | 0.7908 | | | | | |

4.3 Competition

In question five, we again tested uncertainty avoidance (H 1 C) and individualism (H2B). We hypothesized that as uncertainty avoidance increased, the responses to this question would also increase. We also hypothesized that as individualism increases, the responses to this question would decrease. We did find individualism or the interactive term to be significant. There was a negative correlation between uncertainty avoidance and the responses. This contradicted our hypotheses. We did not find the image management subscale to be statistically significant.

5.0 Conclusion

As globalization expands, and multinational corporations become the strongest economic powers (Kaplan, 1997), it is crucial for these corporations to successfully manage their multinational operations. Furthermore, ethics is a pillar in the corporate structure of any honorable company. These reasons create an irrefutable need to understand and account for different cultural values. Our discussion outlines the Hofstede values we found to be significant.

We found uncertainty avoidance to be a consistently significant factor in all but one of the hypotheses, one relating to making exceptions in one's value system for business purposes. This could have implications for managers attempting to create an international code of ethical conduct in a cultural relativist manner. Furthermore, even when the same terminology translated for each country is used, people in high uncertainty avoidance cultures would interpret the code differently than people in low uncertainty avoidance cultures. Moreover, these ethics codes should not only be culture-sensitive, but also gender-sensitive.

One limitation of this study is that for the most part, only one of Hofstede's cultural dimensions was used (uncertainty avoidance). In addition, the surveys were not randomly delivered to college students within the six countries. Due to the nature of the participants, and the fact that they were selected for their accessibility, we do not claim that they are representative of their respective nations. However, the samples were similar in socioeconomic status and educational level (college students), and therefore were comparable at least among themselves.

This study opens up opportunities for future research using not only Hofstede's values but also other cultural values, such as GNP and Corruption, which may prove to be significant. Additionally, this study could be extended to other countries and intensified in the countries presented in this paper.

Endnotes

- 1. This finding is not part of Jeurissen and van Link's original research; rather, the association was discovered in a secondary analysis the lead author.
- 2. While the ranges of 52 (i.e., 92 minus 40) for Uncertainty Avoidance and 83 for Individualism are appropriate for the analysis, the range of 43 for Masculinity may be too narrow. This is because five of the six countries have values from 52 to 64).

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APPENDIX

SURVEY QUESTIONS AND IMAGE MANAGEMENT SUBSCALE

Using the scale below as a guide, write a number beside each statement to indicate how much you disagree or agree with it.

| 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | | | | |
|----------|----------|---------|--|------------------------|---|----|----------------------|--|--|--|--|
| Strongly | | | | No | | | Strongly | | | | |
| Disagree | | | | Opinion | | | Agree | | | | |
| | 1. | family. | andards are | | | 71 | ical <u>American</u> | | | | |
| | 2. 3. | | | n business are as high | | | | | | | |
| | Э. | | I occasionally make decisions that are right for my business but which are inconsistent with my personal ethical principles. | | | | | | | | |
| | 4. | | Conserve natural resources even if doing so means a reduction in corporate profits. | | | | | | | | |
| | 5. | | The ethical standards in a competition are determined by the least ethical competitor. If one firm engages in unethical conduct, the others will have to follow in order to survive. | | | | | | | | |

Using the scale below as a guide, write a number beside each statement to indicate how much you agree with it.

| _1 | | 2 | 3 | 4 | 5 | 6 | 7 | |
|----------|----|-------------------------------------|---|---------------|---|---|-----------|--|
| Not True | | | | Somewhat True | | | Very true | |
| | | | | | | | | |
| 1 | ١. | Sometimes I tell lies if I have to. | | | | | | |

- 2. I never cover up my mistakes.
- 3. There have been occasions when I have taken advantage of someone.
- 4. I never swear.
- 5. I sometimes try to get even rather than forgive and forget.
- 6. I always obey laws, even if I'm unlikely to get caught.
 - 7. I have said something bad about a friend behind his/her back.
- 8. When I hear people talking privately, I avoid listening.
 - 9. I have received too much change from a salesperson without telling him or her.
 - 10. I always declare everything at customs.
 - 11. When I was young, I sometimes stole things.
 - 12. I have never dropped litter on the street.
- 13. I sometimes drive faster than the speed limit.
 - 14. I never read sexy books or magazines.
 - 15. I have done things that I don't tell other people about.
 - 16. I never take things that don't belong to me.
 - 17. I have taken sick leave from work or school even though I wasn't really sick.
- 18. I have never damaged a library book or store merchandise without reporting it.
 - 19. I have some pretty awful habits.
- 20. I don't gossip about other people's business.