

8-2006

Culture effects in the ethical decision-making process of Latin American accountants

Silvia Lopez Palau
University of Texas-Pan American

Follow this and additional works at: https://scholarworks.utrgv.edu/leg_etd



Part of the [Accounting Commons](#)

Recommended Citation

Lopez Palau, Silvia, "Culture effects in the ethical decision-making process of Latin American accountants" (2006). *Theses and Dissertations - UTB/UTPA*. 768.
https://scholarworks.utrgv.edu/leg_etd/768

This Dissertation is brought to you for free and open access by ScholarWorks @ UTRGV. It has been accepted for inclusion in Theses and Dissertations - UTB/UTPA by an authorized administrator of ScholarWorks @ UTRGV. For more information, please contact justin.white@utrgv.edu, william.flores01@utrgv.edu.

CULTURE EFFECTS IN THE ETHICAL DECISION-MAKING
PROCESS OF LATIN AMERICAN ACCOUNTANTS

A Dissertation

by

SILVIA LÓPEZ PALÁU

Submitted to the Business Graduate School of the
University of Texas-Pan American
in partial fulfillment of the requirements for the degree of
DOCTOR OF PHILOSOPHY

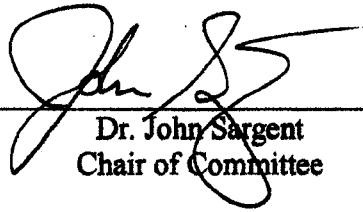
August 2006

Major Subject: International Business and Accounting

CULTURE EFFECTS IN THE ETHICAL DECISION-MAKING
PROCESS OF LATIN AMERICAN ACCOUNTANTS

A Dissertation by
SILVIA LÓPEZ PALÁU

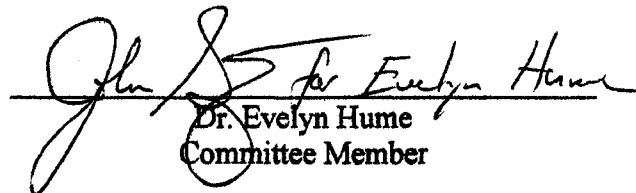
Approved as to style and content by:



Dr. John Sargent
Chair of Committee



Dr. Hale Kaynak
Committee Member



Dr. Evelyn Hume
Committee Member



Dr. Ralph Carlson
Committee Member

August 2006

ABSTRACT

López-Paláu, Silvia, Culture Effects in the Ethical Decision-Making Process of Latin American Accountants. Doctor of Philosophy in International Business and Accounting (Ph.D.), August 2006, 149 pp., 23 tables, 9 illustrations, 144 titles.

Despite the amount of accounting ethics research conducted over many years, two significant problems remain unsolved. First, there is a need to create accurate measurement instruments capable of predicting behavior within a theoretical framework of ethical decision-making. Second, it is important to develop ways to make measurements appropriate for application in other cultures or countries. Thus, the purpose of this study is twofold. The first objective is to develop a scale to measure the ethical evaluations, judgments, and intentions of Latin American accountants. The second goal is to determine the effects of national culture and gender on the results posited by the proposed ethical decision-making model.

The results of the study provide strong evidence of the relationship between culture and ethics. They provide robust evidence to support the first two hypotheses pointing the usefulness of the Multidimensional Ethics Scale (MES) to explain the ethical evaluations, judgment and intentions of respondents in a cross-cultural context. Findings provide evidence to partially support the influence of masculine orientation and gender in the ethical intentions and provide evidence to discard that they influence the ethical judgment, suggesting that respondents use different evaluative criteria to make the judgment or take an action. Results suggest that the effect of masculine orientation and

gender in ethical behavior is situation specific. In some circumstances, male or masculine persons are more willing to act unethically than female or feminine individuals.

This study contribute to accounting ethics literature by (1) offering additional evidence of the link between ethics and culture; (2) developing a multidimensional ethics scale that explains and predicts the ethical judgments and intentions of Latin American accountants; (3) identifying differences among Latin Americans that may be significant, even when individuals share the same culture; (4) providing useful information regarding the future accountants of 10 Latin American countries; and (5) providing other researchers with a reliable measurement instrument for further research.

DEDICATION

To:

Rafael and Awilda, my inspiration

Enrique Emanuel alias "El Manolo" my sun

Rafael, Tatiana and Raúl, my best prizes

David, husband for 25 years, friend forever

The price a family pays while one member achieves the doctoral degree is high. I express my gratitude to my family by dedicating this dissertation to them. However, I must say more than this. For long time, they had to deal with my absence and unpredictable working ups and downs. Meanwhile, my three kids became college students, my daughter became the great mother of the greatest kid, and their father maintained the household and the family in good working order. In addition to my gratitude, I express here my respect, admiration and unconditional love to them.

ACKNOWLEDGMENTS

Although one person is the author of any dissertation, she is dependent on many others for comments, criticism, and support. Many persons contributed to this dissertation by gathering information, collecting and processing the data, proofreading and others by simply being supportive. I am most indebted to those mentioned below and I here express my deepest gratitude to them. Due to space limits, I will mention their names only, but they know that my thankfulness is endless.

My dissertation committee: Dr. John Sargent, Dr. Hale Kaynak, Dr. Evelyn Hume, and Dr. Ralph Carlson. Data codifiers and cheerleaders: Consuelo, Dra. Carmen Leonor, Ivan, Leila Rufz, Doña Carmen, Eduardo, Mayra, Myriam, David, Rafael, Tatiana, Raúl, Yariel, Franchesca, Nery, Awilda, Dr. Latourtue, Dra. Galy, Dr. Kliksberg, Luis, Norberto, Elliana, Sara, Enid, Ixa, Miriam, and other family, colleagues and dear friends. In addition, I have no words to express my thanks to the 2,120 anonymous students that generously answered the questionnaire making this study possible. I am grateful to the almost 90 professors that administered the questionnaire, which are listed by country in Appendix B. Particularly, I am grateful to the 24 professors who were in charge of asking the collaboration of their colleagues and receiving, distributing, collecting and delivering the documents.

TABLE OF CONTENTS

ABSTRACT.....	III
DEDICATION.....	IV
ACKNOWLEDGMENTS.....	V
TABLE OF CONTENTS.....	VII
LIST OF TABLES.....	XII
LIST OF FIGURES.....	XIV
CHAPTER 1. INTRODUCTION.....	1
Purpose of the Study.....	4
Importance of the Study.....	5
Organization of Presentation.....	6
CHAPTER 2. LITERATURE REVIEW.....	8
Models of Decision-making.....	9
Cultural Environment.....	12
Culture Operationalizations.....	13
Cross-National Studies.....	16
Country as Unit of Analysis.....	19
Hofstede's Framework Applied to Latin American Countries.....	22

Summary of Research on National Culture Environment	25
Personal Factors	27
Moral Development	27
Gender	33
Summary of Research on Personal Variables	34
Original Multidimensional Ethics Scale (MES)	35
Ethical Evaluations and Judgments	35
MES Replications in the United States	38
MES Cross-Cultural Research	40
Summary of MES Studies	43
Ethical Intentions	45
Intention Definition	45
Measurement of Intention	46
Summary of the Chapter	47
CHAPTER 3. HYPOTHESES	48
Theoretical Framework	48
Advantages of the Proposed Framework	51
Hypotheses	52
CHAPTER 4. RESEARCH METHODOLOGY	57
Data Collection	57
Sample Composition	57
Sample Size	58
Instrument Development	60

Scenarios	60
Measurement of Variables	62
Statistical Procedures	67
Masculine/Feminine Index.....	67
Masculinity Orientation	67
Factor Structure.....	67
Regression Model	68
Social Desirability Bias.....	68
CHAPTER 5. RESULTS OF DATA ANALYSES	69
Sample Description	69
Descriptive Statistics and Assumptions of Multivariate Tests	71
Reliability.....	72
Correlations.....	76
Descriptive Statistics.....	76
Assumptions of Multivariate Tests	77
Outliers and Missing Values.....	77
Factor Analyses.....	79
Hypotheses Testing Results	82
First Hypothesis - Ethical dimensions measured by the MES will be positively correlated with respondents' ethical judgments.....	83
Second Hypothesis - Ethical dimensions measured by the MES will be negatively correlated to respondents' ethical intentions.....	85

Third Hypothesis - Masculine orientation negatively influences respondents' ethical judgment.....	85
Fourth Hypothesis- A masculine orientation negatively influences respondents' ethical intentions.....	86
Fifth Hypothesis - Male gender will negatively influence respondents' ethical judgment.....	86
Sixth Hypotheses - Male gender will negatively influence respondents' ethical intentions	87
Post Hoc Analyses	87
Regressions with Feminine and Masculine Samples.....	88
Relationship between Masculine Orientation and Ethical Judgment	89
Relationship between Gender and Ethical Judgment.....	89
Relationship between Masculine Orientation and Ethical Intentions	89
Relationship between Gender and Ethical Intentions	94
Social Desirability.....	95
Chapter Summary	97
CHAPTER SIX. DISCUSSION AND CONCLUSIONS.....	99
Discussion and Interpretations of Results.....	99
Effect of MES factors in the Respondents' Ethical Judgment	99
Religious Justice	99
Consequences to Others.....	101
Egoism	102
Deontology.....	103

Relativism	104
Effect of MES factors in the Respondents' Ethical Intentions	104
Effect of Masculine Orientation and Gender in the Ethical Decision Making	
Process	105
Validity of Findings	106
Construct Validity	107
Content Validity	107
Convergent Validity	107
Discriminant Validity	107
External Validity	108
Implications of the Study for Theorists	108
Implications for Practitioners	111
Limitations	112
Future Research	113
REFERENCES	115
APPENDIX A. QUESTIONNAIRE	126
APPENDIX B. COLLABORATORS BY COUNTRY	132
APPENDIX C. VITA	135

LIST OF TABLES

Table 1: Summary of Ethical Decision-Making Models	13
Table 2: Summary of Cross-National Prior Research.....	20
Table 3: Some Key Differences Between Feminine and Masculine Societies	25
Table 4: Kohlberg's Cognitive Moral Development	28
Table 5: Gilligan's Hierarchy of Moral Development.....	29
Table 6: Ideal Adult Moral Development.....	30
Table 7: Comparison of the Ethics of Care and the Ethics of Rights	31
Table 8: Comparison of the Moral Development and Multidimensional Approaches	40
Table 9: Review of Multidimensional Ethics Scale Studies in Accounting	44
Table 10: Relation between Questions and Variables	63
Table 11: Sample Composition by Country.....	70
Table 12 - Sample Composition by Country	71
Table 13 – Descriptive Statistics, Correlations and Reliability Coefficients – First Scenario.....	73
Table 14 – Descriptive Statistics, Correlations and Reliability Coefficients – Second Scenario.....	74
Table 15 – Descriptive Statistics, Correlations and Reliability Coefficients – Third Scenario.....	75
Table 16 - Factor Loadings by Scenario	81

Table 17 - Results of Hierarchical Regression Analysis for Ethical Judgment and Intentions by Scenario.....	84
Table 18 – Masculine Indexes by Country	88
Table 19 - Results of Hierarchical Regression for Ethical Judgment Using Hofstede's Index to Split the Sample.....	90
Table 20 - Results of Hierarchical Regression for Ethical Judgment Using This Study's Index to Split the Sample.....	91
Table 21 - Results of Hierarchical Regression for Ethical Intentions Using Hofstede's Index to Split the Sample.....	92
Table 22 - Results of Hierarchical Regression for Ethical Intentions Using This Study's Index to Split the Sample.....	93
Table 23: Results of Hierarchical Regression Analysis for Peers' Intentions by Scenario	96

LIST OF FIGURES

Figure 1: Synthesis of Ethical Decision-Making Models	10
Figure 2: United States-Canada Pattern	24
Figure 3: Colombia-Mexico Pattern	24
Figure 4: Venezuela-Ecuador Pattern	24
Figure 5: Guatemala-Panama Pattern	24
Figure 6: Chile-El Salvador-Peru Pattern	24
Figure 7: Uruguay-Costa Rica Pattern	24
Figure 8: Research Model of Decision-making of Latin American Accountants	49
Figure 9: Hypothesized Relationships in the Research Model	53

CHAPTER 1

INTRODUCTION

For accountants in general and auditors in particular, the public is the ultimate client. The definition of “public” is broadening as the globalization trend continues in business and accounting. Accounting professionals must fulfill society’s high expectations in a world affected by accounting and auditing failures, such as those of Enron, WorldCom, Microsoft, Peregrine Systems, and many others. In the wake of recent accounting scandals, several organizations and groups have insisted that something more is needed in accounting ethics education, but the specific measures that should be taken to prevent ethical failure have been relatively unclear (Armstrong et al. 2003).

Accounting researchers have long been interested in ethics issues as they relate to auditor decision-making (Cohen et al. 1992; McNair 1991; Shaub et al. 1993; Shafer et al. 2001; Gowthorpe et al. 2002; Shaub 1994). Ethics researchers are faced with two main challenges. First, adequate language and theories on which to base discussion and research must be developed. Second, quantitative approaches to the study of ethics must be developed to gain the respect of colleagues in research areas that are more numbers oriented (Bay 2002). Kohlberg’s Stage Theory of Ethical Development and the related Defining Issues Test (DIT) developed by Rest (1979) appear to solve these problems.

The former provides a theoretical framework, and the latter provides a quantitative measure that may be used in further analysis.

The widespread use of Kohlberg and Rest's work in accounting research has resulted in the accumulation of a great amount of supporting as well as contradictory evidence. Bay (2002, 160) identified three issues related to the DIT that call into question its use in ethics research:

- (1) divergence between the theory that forms the basis of most accounting ethics research and the theory and practice that forms the basis of the DIT;
- (2) potential biases that may result from the use of the instrument; and
- (3) an incompletely studied relationship of the DIT to behavior.

The concern with Kohlberg-DIT research is not limited to these methodological issues; there are also concerns with some of the assumptions underlying the theory, such as the universality of ethical principles. However, the most important issue is that the results of empirical research consistently show a weak relationship, at best, with the behavior under study. Marburg (2001) suggested that it is time to abandon the concept of moral development and search for something new, or to move research in other directions that result in the development of concepts with behavioral content.

In the 1990s, an empirical approach emerged in accounting that relied on the multidimensional ethics scale (MES). Reidenbach and Robin (hereafter R&R, 1988) developed this scale based on a survey of moral philosophy literature. They identified five normative modes of moral reasoning: justice, relativism, utilitarianism, deontology,

and egoism. The MES is designed to identify the rationale(s) behind moral reasoning and the reasons for respondents' ethical evaluations of particular actions.

The MES has been used in studies of ethical judgment in marketing (Reidenbach et al. 1988, 1990, 1991; Humphreys et al. 1993; Tsalikis and Nwachukwu 1988; Tsalikis and Ortiz 1990; Tsalikis and LaTour 1992; Hansen 1992), in management (Kujala 2001; Henthorne et al. 1992), in information technology (Selwyn and Griffith 2001), and in accounting (Flory et al. 1992; Cohen et al. 1993, 1995, 1996, 1998, 2001; López-Paláu 2000, 2001; Cruz et al. 2000). The results of all studies using the MES instrument have shown a strong relationship between the MES factors and the subjects' ethical judgments and intentions. However, most of the accounting studies have failed to use the instrument within a theoretical framework of ethical decision-making. In addition, the instrument was constructed from a U.S. sample and might not be appropriate in other cultures. Cohen et al. (1993, 1998) explicitly noted the importance of testing the validity of the scale in an international setting.

Several researchers have found cross-national differences in ethical reasoning in a business context. Most of these studies have focused on making comparisons among the ethical perceptions, codes, or training of people from Asia, Europe, and the United States (Becker and Fritzsche 1987; Lang Lois et al. 1990; Dubinsky et al. 1991; Honeycutt et al. 1995; Singhapakdi et al. 1994; Shenan 1993; Whipple et al. 1992; White et al. 1992; Lysonski 1991; Kaufman 1985). Most empirical studies in accounting ethics have produced evidence of a relationship between ethics and culture (Karnes et al. 1989; Agacer et al. 1991; Gul et al. 1993; Schultz et al. 1993; Cohen et al. 1995; Brody et al. 1998, 1999; Teoh et al. 1999; Smith and Hume 2001). In general, the results of such

studies suggest that differences in accountants' approaches to ethical dilemmas depend on their cultural background. The results obtained by Shaefer et al. (1999) indicate that such differences persist even when subjects are submitted to an acculturation process in a foreign country. Most of these studies have compared U.S. subjects with people of European and Asiatic countries.

Most empirical studies examining the influence of culture on ethics make national rather than cultural comparisons. The general methodology is to compare subjects from countries that differ in Hofstede's dimensions, and then to interpret any difference as caused by the difference in culture. However, there is no overall framework with which to identify the particular dimension of culture (if any) that influences ethical decision making. Without this framework, it is not possible to generalize findings to other cultures. For that reason, prior research has been largely descriptive and has failed to incorporate cross-national differences into a theoretical framework.

Both approaches to ethics research—Kohlberg-DIT and the MES—for different reasons fail to identify the relationship between culture and ethics. Although cultural differences in ethics among people of Asia, Europe, and the United States have been examined, Latin America has not been studied to the same extent. A review of the accounting ethics literature revealed few studies that examine the ethical judgments and intentions of Latin American accounting professionals.

Purpose of the Study

Despite the amount of accounting ethics research conducted over many years, two main problems remain unsolved. First, accurate measurement instruments capable of predicting behavior within a theoretical framework of ethical decision making are

needed. Second, it is important to develop ways to make the measurement instruments appropriate for application in other cultures or countries. In that direction, the main purposes of this study are to develop a scale to measure the ethical evaluations, judgments, and intentions of Latin Americans accountants and to determine the effects of national culture and gender on the results.

Specific objectives of this research are as follows:

1. to identify and test a theoretical framework of ethical decision-making applicable to Latin American accountants.
2. to identify the specific moral philosophies that Latin American accountants consider when evaluating ethical dilemmas.
3. to determine the relative importance of moral philosophies in explaining and predicting Latin American accountants' ethical judgments and intentions.
4. to determine the relative importance of gender and gender role values in explaining and predicting Latin American accountants' ethical judgments and intentions.
5. to identify the effect of national culture in the ethical evaluations, judgments, and intentions of Latin American accountants.

Importance of the Study

This study presents a theory-driven model of ethical decision-making and tested the model using structural equation modeling. The results obtained with this statistical procedure were contrasted with those obtained through the commonly used methodology

of MES cross-cultural research. This approach effectively confronts measurement issues, allowing multivariate and simultaneous analysis of multiple cross-national datasets.

The proposed model has several advantages over existing frameworks. First, as it is similar to yet distinct from other models, it deserves consideration as an alternative. Second, it offers a theoretical framework to investigate ethical decision-making in accounting, and it lays the groundwork for the development of cross-cultural research in this area. Third, the model incorporates Hofstede's cultural framework without mixing the levels of analysis. Fourth, the model employs the MES to explain and predict ethical evaluations and intentions. Fifth, for the first time, the model used in this study includes and test respondents' masculine orientation, thus measuring the cultural influence of gender as a variable to explain ethical judgments and intentions. Finally, relative to other models, the proposed model is parsimonious and testable, and it includes previously developed measures and operationalizations with some refinements based on prior literature. The author hopes that such a framework will encourage other researchers to conduct cross-cultural ethics research.

Organization of Presentation

The remainder of the dissertation is organized as follows. Chapter 2 includes a review of relevant decision-making literature. Prior studies will be discussed in relation to the variables that affect the decision-making process in order to relate them to ethical decision-making models. The research model used in this study, the explanatory variables, and the research hypotheses are discussed in chapter 3. The next chapter presents the study's research methodology, addressing the sample, the development of

the instrument, and the statistical procedures conducted. Chapter 5 presents the results obtained while the last chapter includes the conclusions and some final remarks.

CHAPTER 2

LITERATURE REVIEW

This chapter reviews literature that is useful in explaining the ethical decision-making process of Latin American accountants. It is organized in five main sections. The first section reviews prior decision-making models, identifying their common six-step structure, in order to develop the research model of this dissertation. The second section, *Cultural Environment*, discusses the first component of the proposed model. It includes culture operationalization, a review of cross-national studies, and the rationale for using the country as the unit of analysis. The next section, *Personal Factors*, discusses the second component of the model. It reviews the two most-examined personal variables in accounting studies: moral development and gender. The fourth section, *Ethical Evaluations and Judgments*, discusses the third and fourth elements of the model. It presents the history of the instrument (the MES) used in this study, from its origin to its most recent use and development in the United States and elsewhere. The last section, *Ethical Intentions*, discusses the fifth element of the model, presenting the definition of the construct, its relationship with the last step of the model (Ethical Behavior), and ways to measure it.

Models of Decision-making

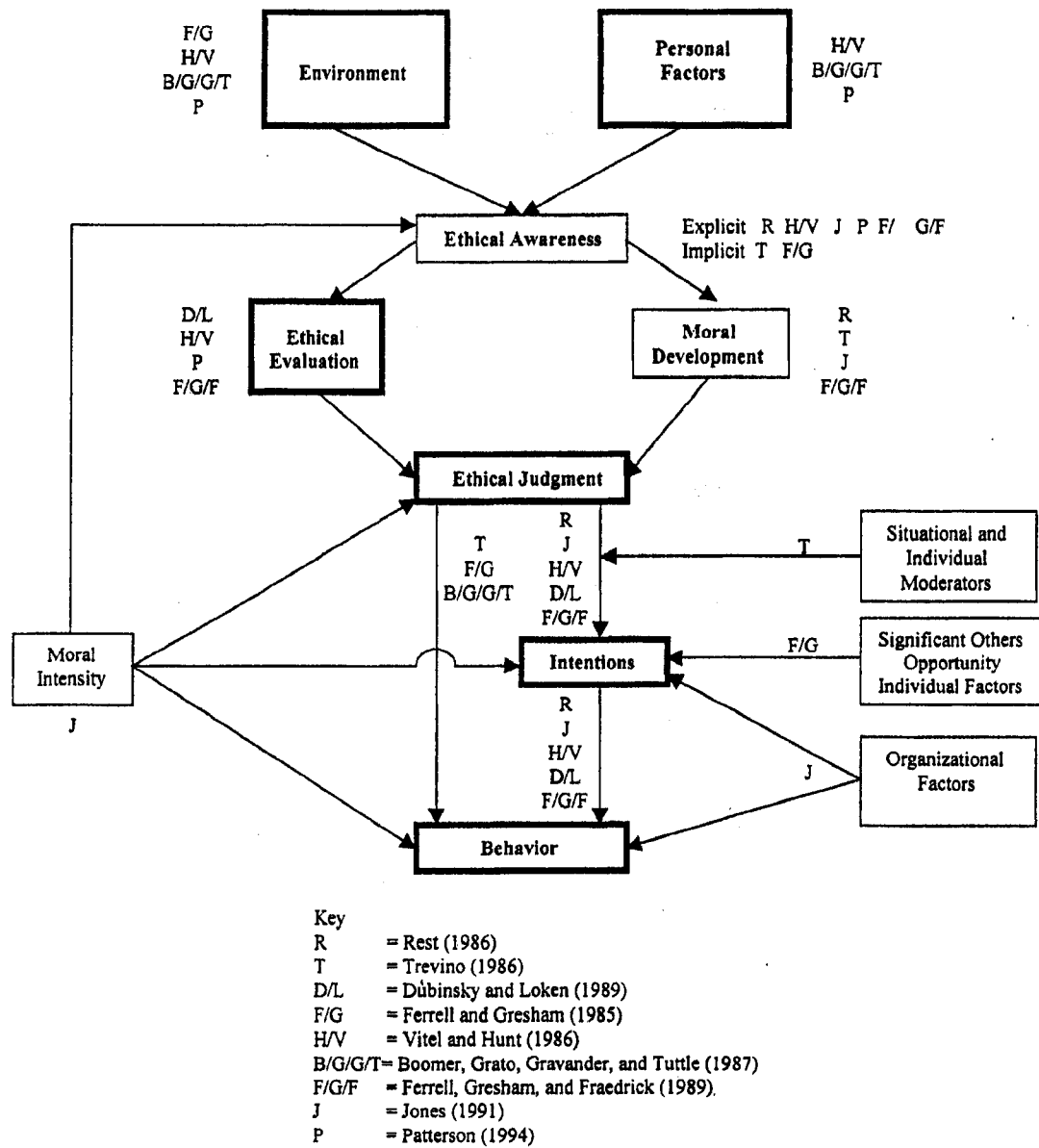
In a survey of 94 ethics articles, Randall and Gibson (1990) found that researchers commonly failed to apply a theoretical foundation to their studies. However, during the

1980s, researchers began to develop several ethical decision-making models. In general, these models were developed by scholars in psychology-based disciplines such as organizational behavior and marketing.

A number of studies have proposed general ethical decision models (Rest 1986; Trevino 1986; Brommer et al. 1987). Others—such as Ferrell and Gresham (1985); Ferrell, Gresham, and Fraedrich (1989); Hunt and Vitell (1986); and Dubinsky and Loken (1989)—have offered models that focus on marketing ethics. Jones (1991) added the concept of moral intensity to supplement previous models. In accounting, Patterson (1994) attempted to develop a model of ethical/unethical decision-making by auditors.

Most of the models listed above are based on Kohlberg's moral development theory, which is discussed later. Much accounting ethics research has been built on the model posited by Rest (1986). Each model provides a plausible explanation of the ethical decision process, establishing a specific structure with a certain set of variables.

However, no empirical research to date supports the superiority of one model over the others. For that reason, it is a better approach to identify the aggregate knowledge these models provide. Figure 1 presents a synthesized and simplified diagram of all the models. The model developed by Rest (1986) is used as the foundation. The process starts with the environment (Ferrell and Gresham 1985; Hunt and Vitell 1986; Boomer et al. 1987;



Boxes with bold lines represent the six components of the model to be used in this dissertation

Figure 1: Synthesis of Ethical Decision-Making Models

Patterson 1994), which generally includes economic, social, cultural, and organizational factors. Ethical issues emerge from the environment and personal factors. Rest (1986), Ferrell, Gresham, and Fraedrick (1985), Hunt and Vitell (1986), Jones (1991) and

Patterson (1994) recognized moral dilemmas as an explicit element of their models. Ferrell and Gresham (1985) and Trevino (1986) left this step implicit, while Dubinsky and Loken (1989) and Boomer et al. (1987) did not include it.

Seven of the nine models presented in Figure 1 include some kind of moral judgment step. The main difference among variations on this step is that some models establish cognitive moral development as the critical element in the judgment phase (Rest 1986; Trevino 1986; Jones 1991) while others hypothesize that moral evaluation takes place (Hunt and Vitell 1986; Dubinsky and Loken 1989; Patterson 1994). Ferrell, Gresham, and Fraedrich (1985) included both elements in their model. Only Patterson (1994) included the five moral philosophies examined by the MES; the other models include only two philosophies to make the evaluation. Ferrell and Gresham (1985) and Boomer et al. (1987) did not specify a process for this step.

Rest (1986), Ferrell, Gresham, and Fraedrich (1985), Hunt and Vitell (1986), Jones (1991), and Dubinsky and Loken (1989) explicitly included a phase whereby the ethical decision maker establishes moral intent to engage in a moral behavior. This step is based in the theory of reasoned behavior, which was developed in social psychology by Ajzen and Fishbein (1980) and Fishbein and Ajzen (1975). Ferrell and Gresham (1985), Trevino (1989), and Boomer et al. (1987) postulated a direct path between moral judgment and moral behavior. Table 1 summarizes each model's major contribution and major omission relative to the general aggregate knowledge of all the models.

Collectively, the models present a six-step structure (environment, personal factors, ethical evaluation, judgment, intention, and behavior). They portray the ethical decision-making process as a complex event affected by multiple factors. Some of the

models have not been tested empirically, while others are difficult to test because they include too many variables. Others have been tested partially; in these tests, the variables examined were shown to have little explanatory and predictive power over the behavior that should be the focus of attention.

The relationships between those steps will be empirically tested in this dissertation. Culture is cited in the literature as one of the most influential environmental factors in the ethical decision-making process. For that reason, the research model to be tested limits the environment to its cultural dimension.

The next section addresses aspects of the cultural environment that may influence the ethical decision-making process. Hofstede's operationalization of culture is discussed first, followed by the criticisms made of his framework. Next, a review of cross-national studies is presented, the use of the country as the unit of analysis is discussed, and methodological flaws and possible solutions are identified. Hofstede's framework is then applied to Latin American countries.

Cultural Environment

Although many models (e.g., Hunt and Vitell 1986, Ferrell and Gresham 1985, and Boomer et al. 1987) posit a linkage between the cultural environment and ethical perceptions, very little work has been done to test this relationship. This may be due to the difficulty involved in operationalizing the culture construct. Valid nomological frameworks that delineate the dimensions of national culture provide a basis for developing hypotheses to explain systematic variation between cultures in attitudes and behavior (Smith et al. 1996). Such frameworks are needed to improve international

research beyond exploratory, qualitative comparisons that are difficult to validate and replicate (Steenkamp 2001).

TABLE 1: SUMMARY OF ETHICAL DECISION-MAKING MODELS

	Major Contribution	Major Omission
Rest (1986)	Posited a simple and testable four-step model.	Did not recognize any environmental influence.
Ferrell and Gresham (1985)	Recognized the social and cultural environment as an influential factor in the ethical decision-making process (but did not discuss this factor in the model).	Did not establish an intention determination step before the behavior stage, making the model more difficult to test.
Trevino (1986)	Recognized the work environment as an influential factor in the ethical decision-making process in a simple three-step model.	Did not establish an intention determination step before the behavior stage, making the model more difficult to test.
Brommer et al. (1987)	Recognized several environmental factors that affect the ethical decision-making process and identified possible variables to test them.	Did not establish an intention determination step before the behavior stage, making the model more difficult to test. There is no interaction between different environments and the individual factors.
Hunt and Vitell (1986)	Expanded prior models by including the industrial environment in addition to organizational and cultural environments. Incorporated teleological and deontological moral philosophies into the evaluation process.	Did not recognize interaction between environmental and individual factors. Included too many variables, making the model difficult to test.
Dubinsky and Loken (1989)	Proposed a simple model based on the theory of reasoned behavior.	Did not recognize any environmental influence.
Ferrell, Gresham, and Fraedrich (1989)	Synthesized in a simple five-step model the theory developed to date.	Did not recognize any environmental influence.
Jones (1991)	Supplemented previous models by adding the concept of moral intensity.	Did not recognize environmental influence beyond organizational factors.
Patterson (1994)	Recognized interaction between environmental and individual factors. Incorporated other moral philosophies to measure ethical evaluations.	Did not posit intention and behavior stages.

Culture Operationalizations

Without doubt, Hofstede's framework (1980, 1997, 2001) has been the most influential in the development of cross-cultural studies in many disciplines, including accounting. Hofstede defined culture as the "collective programming of the mind that

distinguishes the members of one group or category of people from another” (2001, 9), He identified four dimensions—Uncertainty Avoidance, Individualism-Collectivism, Masculinity-Femininity, and Power Distance—that differ systematically across cultures. A fifth cultural dimension, labeled Short-term/Long-term Orientation, was later identified (Hofstede and Bond 1983,1988).

Uncertainty avoidance refers to the way in which a society deals with the uncertainty caused by an unknown future. Individualism-collectivism refers to the strength and integration of personal relationships. Masculinity-femininity refers to the degree that people from a culture tend to prefer “masculine” goals (e.g., achievement) or “feminine” goals (e.g., relationships and service). Power distance refers to the manner in which a society deals with the inequalities among people.

Even though most studies in the field refer to Hofstede’s framework, it has not been immune to critique. Some critics have been very severe, concluding that the model should be discarded (McSweeney 2002a, 2002b; Baskerville 2002). However, others have been moderate, suggesting ways to deal with the model’s limitations (Williamson 2002; Smith 2002).

Five main elements of Hofstede’s work have attracted criticism: (1) the use of surveys to measure cultural differences, (2) the representativeness of the sample used in his study, (3) the validity of the conclusions across time, (4) the comprehensiveness of the dimensions to define culture, and (5) the use of nations as the unit of analysis. Hofstede (2002) refuted such critiques with the following arguments: (1) surveys should not be the only way to measure cultural differences; (2) any set of functionally equivalent samples from national populations can supply information about differences between

national cultures; (3) the dimensions found are assumed to have centuries-old roots, and recent replications show no loss of validity; (4) additional dimensions should be both conceptually and statistically independent from the five dimensions validated by significant correlations with conceptually related external measures; and (5) nations are usually the only units available for comparison, and they are better than nothing.

Williamson (2002), discussing the critiques made by McSweeney (2002) of Hofstede's work, argued that to totally reject Hofstede's model before the development of more satisfactory models would be to throw away valuable insight. His major defense of the model was that it is parsimonious and relatively easy to explain and apply. However, the model achieves these advantages by trading off its ability to explain in more detail a complex phenomenon subject to an indeterminate variety of factors. Williamson (2002, 1391) pointed out that "quantification of national culture opens up what is otherwise a black box of cultural factors." However, he conceded that McSweeney's critique raised three important warnings for those who use Hofstede's model. First, there is a danger of assuming that a culture can be uniform, with all members homogeneously carrying the same cultural attributes. Second, one should not expect individuals' values or behavior to be wholly determined by their cultural backgrounds. Three, researchers must avoid confusing scores for cultural dimensions with the cultural constructs for which they are only approximate measures.

One way to avoid erroneous interpretations of Hofstede's model is to carefully specify the unit of analysis. Baskerville (2002, 10) suggested that accounting research may develop to examine and analyze individual behavioral differences by accountants in different nations; then it is

required for each researcher to ask survey participants to make their own ethnic self identification in the survey, and to determine if these mirror some of the “cultural” indexes established by Hofstede.

In the same vein, Smith (2002, 23) argued that studies should include individual level measures that can establish the extent to which the samples employed are culture-typical. There are a small but growing number of studies in the literature, which do this, often validly testing their hypotheses separately at both the culture and the individual level.

Hofstede’s framework has been used to advance cross-national research in many disciplines. Its wide use has promoted a long debate about its utility and the best methodologies to apply the framework. The next section reviews several cross-national studies in the accounting ethics literature in order to identify methodological flaws and possible solutions in the application of Hofstede’s framework.

Cross-National Studies

In the 1990s, significant development began to take place in accounting ethics research. However, the field is progressing very slowly. The relationship between ethics and culture has captured the attention of researchers at an even slower pace (Karnes et al. 1989; Cohen et al. 1995; Goodwin et al. 1999). Few theoretical studies have established the relationship between ethics (in general terms) and culture by applying Hofstede’s framework to the accounting and auditing environment.

In that direction, Cohen et al. (1993a) provided a framework for identifying ethical problems arising from cultural differences in international audit practices. Their study posited the ethical implications that may reflect each of Hofstede’s dimensions in

an international auditing environment. Subsequently, Cohen et al. (1996) conducted a study with a small sample of academic experts in cross-cultural management research, demonstrating that Hofstede's dimensions can be used to develop directional hypotheses concerning cross-cultural differences in ethical perceptions.

Most empirical research has used Hofstede's framework to test the relationship between culture and ethical intentions, perceptions, and evaluations. One considerable stream of empirical research in ethics has focused on intentions, rather than on the factors underlying the ethical decision-making process. This body of research compares the likelihood that respondents of different countries will engage in some questionable act or the likelihood that they will report a questionable act (Karnes et al. 1989; Brody et al. 1998; Brody et al. 1999; Nyaw et al. 1994; Tsui 1996).

Collectively, this stream of research has found a relationship between culture and ethical intentions. However, due to their research design and methodology, these studies do not provide insight into the question of which cultural dimensions are related to the results. In addition, all of these studies have taken Hofstede's indexes for granted and have not performed tests to determine whether the indexes accurately represent their samples.

A number of marketing studies have attempted to solve that problem using other research methodologies. For example, Armstrong (1996) examined the relationship between culture and ethical perceptions as posited by the Hunt and Vitell (1986) model, calculating Hofstede's indexes at the individual level instead of assigning the respondent's country index. Long-Chuang et al. (1999) used yet another alternative. Their study examined the relationship between culture, deontological norms, and the

importance of stakeholders as established in Hunt and Vitell (1986). They developed a multiple-item scale, using Hofstede's items and others from more recent research to ensure that the groups differed in the cultural dimensions. The results confirmed the cultural difference between countries, as expected.

In accounting literature, Schultz et al. (1993) combined models from whistleblowing literature with Hofstede's model. Hofstede's indexes were calculated for the sample to verify the differences in the power distance and uncertainty avoidance dimensions among the groups. The study added evidence that national culture dominates organizational culture in matters involving value judgments. Teoh et al. (1999) examined the impact of the individualism-collectivism cultural dimension on ethical perceptions. Their study complemented the Karnes et al. (1989) study, as Teoh et al. selected contrasting cultures and used the Triandis instrument¹ to determine individuals' cultural dimensions. With their improved methodology, these studies collectively offer strong evidence that supports the relationship between culture and ethics found in previous research.

Other studies afford valuable insight into the strength of the relationship between national culture and ethical evaluations. Shafer et al. (1999) examined differences in the ethical decision making of Asian, Hispanic, and Caucasian accounting students at U.S. universities. They assumed that culture is a relatively enduring trait and expected that cultural differences in ethical decision making would persist even when a subject completed a college degree in a foreign country. The study found evidence of significant

¹ The instrument developed by Triandis (1988) is designed to measure individualism-collectivism at the individual level. It consists of a 38-item scale classified under four categories: self-report, attitude, relationship with parents, and values.

cross-cultural variation in ethical decision-making among accounting students at two U.S. universities.

In contrast, Tsalikis et al. (1988) did not find differences between blacks and whites in the United States, either in their ethical evaluations or in the factor structure used to explain such evaluations. The contrasting results of these studies may suggest that national culture is stronger than other levels of culture within national boundaries. This reasoning supports the argument that studies will find stronger differences between countries than within countries.

Table 2 summarizes the major contribution and the major critique of each study discussed in this section. Accounting ethics research has employed Hofstede's framework to examine the relationship between ethics and culture. Some methodological problems have been solved with new approaches. However, the debate continues over the use of the country (rather than the culture) as the unit of analysis. This issue is discussed in the following section.

Country as Unit of Analysis

There has long been debate over the proper unit of analysis in business comparative studies. McDonald (2000) defined a nation as "people inhabiting one country under the same leadership and administration" and a culture as "the shared beliefs and symbols of a group of individuals." Comparative studies contrast cultures or nations, searching for both similarities and differences. The most common research approach is to make national comparisons. This approach should not be taken as implying that a country and a culture are interchangeable; national and cultural boundaries do not always coincide. Despite the various cultures that may coexist in a country, there is a

TABLE 2: SUMMARY OF CROSS-NATIONAL PRIOR RESEARCH

Author(s)	Major Contribution	Major Critique
Tsalikis et al. (1988)	Investigated cultural effects in decision-making of students from two subcultures (black and whites) in United States.	There is no clear theoretical foundation.
Karnes et al. (1989)	Added evidence of the relationship between culture and ethics.	There is no integration between Hofstede's framework and ethical decision-making models.
Cohen et al. (1993a)	Offered a framework to identify ethical problems that may arise from cultural diversity in international auditing practice.	
Shultz et al. (1993)	Power distance and uncertainty avoidance were measured with Hofstede's items to assess differences among sampled subjects. Added evidence that national culture has a greater influence on value judgments than organizational culture does.	Differences in variables examined attributed to cultural differences without direct testing of the relationship.
Nyaw et al. (1994)	Included different stakeholders in respondents' considerations	There is no integration between Hofstede's framework and ethical decision-making models. No test of Hofstede's indexes.
Cohen et al. (1996)	Conducted empirical test of the usefulness of Hofstede's model to predict cross-cultural differences in ethical sensitivity.	
Tsui (1996)	Tested relationship between moral development and intentions.	There is no integration between Hofstede's framework and ethical decision-making models. No test of Hofstede's indexes.
Armstrong (1996)	Integrated Hofstede's framework with Hunt and Vitell model. Cultural indexes were measured at the individual level.	No cultural indexes were calculated to be compared with Hofstede's.
Brody et al. (1998)	Documented ethical perspectives from individuals from the United States and Japan.	There is no integration between Hofstede's framework and ethical decision-making models. No test of Hofstede's indexes.
Brody et al. (1999)	Documented ethical perspectives from individuals from the United States and Taiwan.	There is no integration between Hofstede's framework and ethical decision-making models. No test of Hofstede's indexes.
Long-Chuang et al. (1999)	Integrated Hofstede's framework with Hunt and Vitell model. Cultural indexes were measured with Hofstede's items and others from more recent research.	Differences in variables examined attributed to cultural differences without direct testing of the relationship.
Teoh et al. (1999)	Individualism index was measured at individual level with Triandis (1988) instrument.	There is no integration between Hofstede's framework and ethical decision-making models.
Shafer et al. (1999)	Documented cultural effects in decision-making of students from ethnic minorities and Caucasians studying in the United States.	There is no integration between Hofstede's framework and ethical decision-making models. No test of Hofstede's indexes.

modal set of values that are common and thus broadly descriptive of the society as a whole (Inkeles and Levison 1969). Anthropologists and other social scientists agree that culture exists at various levels, such as the family, city, and country. Each of these levels forms a legitimate unit of analysis, and their use is valid depending on the specific research question (Sivakumar et al. 2001).

Steenkamp (2001) and Dawar and Parker (1994) agreed that the important goal of creating a valid conceptualization of culture at the national level is to yield some meaningful degree of within-country commonality and between-country differences. Findings in conceptual and empirical research in business and other social disciplines examining cultural effects at the country level tend to support the notion of a degree of within-country commonality and between-country differences in culture (Alden et al. 1999; Nakata and Sivakumar 1996; Steenkamp et al. 1999).

However, this should not be interpreted as evidence that countries are culturally homogeneous. Instead, it should be understood as suggesting that forces push toward a meaningful degree of commonality within a country's borders. As Hofstede (1997, 12) argued, "nations are the source of a considerable amount of common mental programming of their citizens."

Countries have forces toward integration, such as the existence at the national level of a dominant language, educational system, political system, and economic system. Smith and Schwartz (1997) determined through a study of 13 countries that the nation as a factor explained three times more variance than any within-country variable studied (e.g., gender, age, or education). These authors and many others share Hofstede's position.

The use of countries as the unit of analysis may be appropriate in some research. The study of Latin American countries offers the opportunity to compare nations that share a basic culture but differ in one cultural dimension. This particularity allows the identification of the specific cultural dimension that influences other variables under study. In addition, studying Latin American countries allows one to evaluate whether it is more appropriate to investigate national cultures than to regard culture in general terms without considering national borders. The cultural differences among Latin American countries are presented in the next section.

Hofstede's Framework Applied to Latin American Countries

It is expected that countries that differ from one another in one or more of Hofstede's indexes will also differ in the ethical perceptions and judgments of their members (Brody et al. 1998). López-Paláu (2000) plotted Hofstede's indexes for several countries in the Americas (Figures 2 to 7) and identified similar patterns. The first noticeable finding in that study was that the patterns of the United States and Canada are very similar to one another, but contrast with the pattern of Latin American countries. Second, the differences in the patterns of the Latin American countries are mainly due to the values of the power distance and masculinity indexes, where dispersion in the scores is greater.

In fact, Hofstede (1998, 26) pointed out,

"In Latin America, there are both clusters of masculine countries (Mexico, Venezuela, Colombia, Ecuador) and of feminine ones (Panama, Costa Rica, El Salvador, Guatemala) that probably derive from different combinations of native and immigrant cultures."

Despite the differences among Latin American countries, they can be classified in two main groups labeled feminine and masculine.

Hofstede (1998) made a distinction between masculinity and femininity at the individual and societal levels. He cited the work of Bem (1974) to explain the individual level. In Bem's study (BSRI), U.S. students were divided into four categories using the Bem Sex Role Inventory scale. This measure classifies individuals as masculine only, feminine only, androgynous, or undifferentiated. However, at the country level, Hofstede found that a national culture is either predominantly masculine or predominantly feminine. A country's standards for the meaning of masculinity and femininity are transferred to the individual. This process first takes place in the family, and it is further developed and confirmed through school, the workplace, political life, and prevailing religious, philosophical, and scientific ideas. Table 3 shows key differences between feminine and masculine societies, as stated by Hofstede (1998).

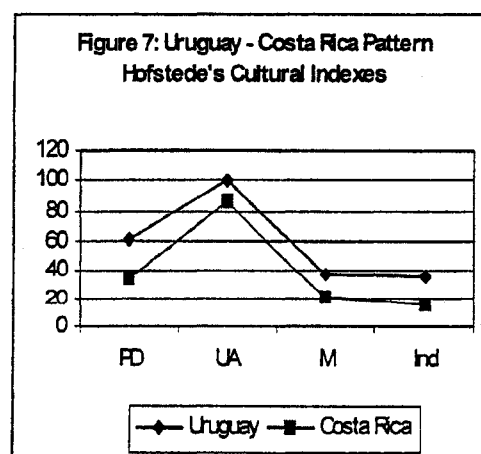
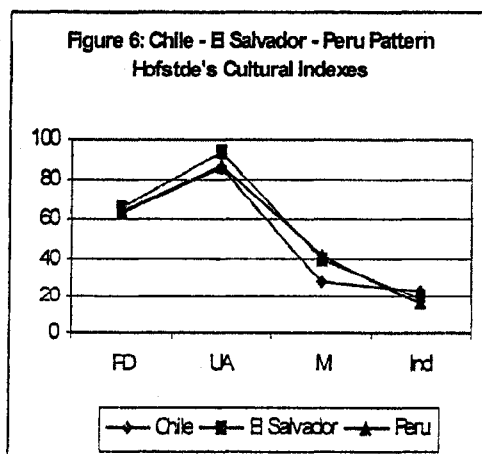
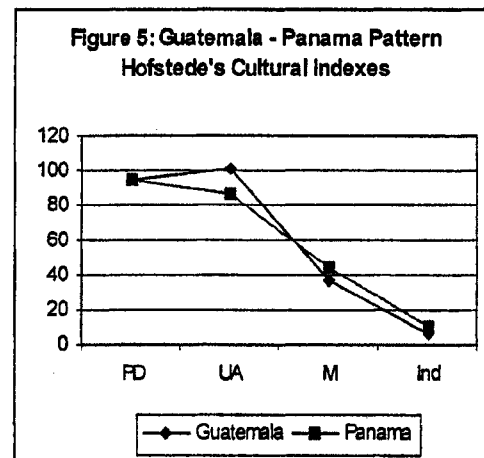
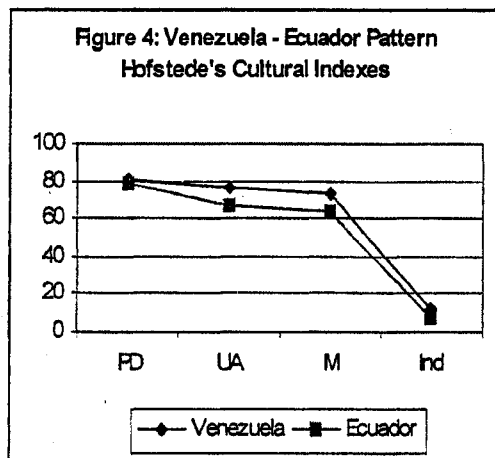
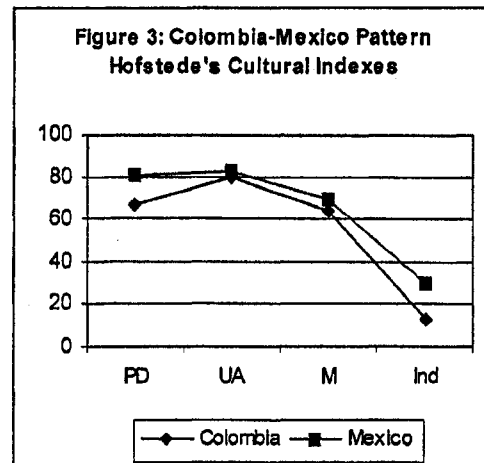
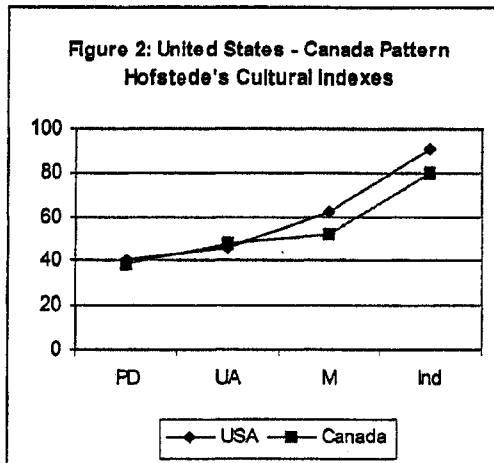


TABLE 3: SOME KEY DIFFERENCES BETWEEN FEMININE AND MASCULINE SOCIETIES.

	Feminine	Masculine
General Norm	Dominant values in society are caring for others and preservation.	Dominant values in society are material success and progress.
	People and warm relationships are important.	Money and things are important.
	Both men and women are allowed to be tender and concerned with relationships.	Men are supposed to be assertive, ambitious, and tough, while women are supposed to be tender and concerned with relationships.
In the Family	Both fathers and mothers deal with facts and feelings.	Fathers deal with facts, and mothers deal with feelings.
	Both boys and girls are allowed to cry, but neither should fight.	Girls cry, but boys do not; boys fight back when attacked, but girls should not fight.
In School	Failing in school is a minor accident.	Failing in school is a disaster.
	Boys and girls study the same subjects.	Boys and girls study different subjects.
At Work	One works in order to live.	One lives in order to work.
	Stress on equality, solidarity, and quality of work life.	Stress on equity, mutual competition, and performance.
In Politics	Welfare society ideal	Performance society ideal
	Permissive society	Corrective society
In Prevailing Ideas	Dominant religions stress the complementation of the sexes.	Dominant religions stress the male prerogative.
	Women's liberation means that men and women should take equal shares, both at home and at work.	Women's liberation means that women should be admitted to positions hitherto occupied only by men.

Source: Hofstede (1998)

Summary of Research on National Culture Environment

In light of the results of empirical studies, the following conclusions can be made. Hofstede's framework provides indexes that are useful in the study of Latin American countries. Two groups, feminine and masculine, clearly emerge when Hofstede's framework is applied to Latin American countries. This adds quantitative support to the existence of differences among Latin American countries. However, researchers should be aware of the critiques and limitations of this framework and of the options recently

proposed in the literature to deal with them. Alternatives proposed in the marketing discipline that integrate Hofstede's framework with models of decision making seem to represent the best road to follow.

In general, the results of most empirical studies in accounting ethics suggest that accountants' approaches to ethical dilemmas depend on their national culture. Most of these studies have compared U.S. subjects with people of European and Asiatic countries. Furthermore, most empirical studies examining the influence of culture in ethics issues have made national rather than cultural comparisons. The use of the country as the unit of analysis may be valid for certain research questions.

The usual methodology is to compare subjects from countries that differ in Hofstede's dimensions. Even among studies that have cited Hofstede's framework as a justification or theoretical basis for their choice of countries, few have actually measured these dimensions. However, any difference found in the variable of interest has been interpreted as caused by the difference in culture. However, there is no overall framework to determine which dimensions of culture (if any) influence ethical decision-making. Neither has a model of decision-making been identified to integrate the variables under study. Without this framework, it is not possible to generalize findings to other cultures. Thus, prior research has been largely descriptive and has failed to incorporate cross-national differences into an overall conceptual framework.

Among the environmental factors identified in the ethical decision-making models previously discussed, culture has been cited in the literature as one of the most important. However, individuals' values, decisions, and behaviors are not totally determined by their culture. Personal factors, interacting with environmental factors, may

affect the decision process. Several personal variables have been proposed in decision-making theoretical models, and some have been tested in empirical studies. Two of the most-examined personal variables in accounting literature, moral development and gender, are discussed in the next section.

Personal Factors

Moral Development

To date, empirical studies examining the influence of moral development and gender in the ethical decision process have not generated conclusive results. Despite the wide use of moral development theory to explain the ethical decision process, several theoretical and methodological issues remain unresolved. This section presents a discussion of these issues, including the competing theory developed by Gilligan (1982) and the contradictory results found in the literature. This discussion provides the grounds to discard moral development as an explanatory variable in the decision-making process. A review of previous studies examining the relationship between gender and the ethical decision process is then presented.

Kohlberg's theory of Cognitive Moral Development (1976) proposes three hierarchical and sequential levels of moral reasoning. Each of Kohlberg's levels is divided into two stages, resulting in a six-stage progression in reasoning ability. Kohlberg's moral stages are summarized in Table 4. Each stage reflects individuals' conceptualizations of societal relationships and justice. Individuals conceptualize the ideal way to solve ethical dilemmas according to their levels of moral development. The theory posits that the higher the developmental stage an individual has reached, the greater the level of moral development the individual possesses. It is expected that

individuals develop higher stages of moral cognition as they progress through the experiences of life.

TABLE 4: KOHLBERG'S COGNITIVE MORAL DEVELOPMENT

Level	Stage	Focus	Orientation	Morality Defined by
Pre- Conventional	1	Avoidance of punishment	Reward and Punishment	External Authority
	2	Satisfaction of own needs		
Conventional	3	Desire to conform to group norms	Law and Order	Social Group
	4	Social accord and system maintenance		
Post- Conventional	5	Social contract and individual rights	Principles	Inner Conscience
	6	Universal moral principles		

Kohlberg claimed that all people pass through these stages, that the order of the stages is invariant, and that no stage can be skipped. He also claimed universality for the stages, arguing that they should be the same across cultures, genders, political orientations, and so on. Empirical evidence accumulated in the literature tends to refute this argument (Tsui 1996; Ho 1997; Sweeney 1995).

Kohlberg developed a measurement instrument, the Moral Judgment Interview (MJJ), to determine an individual's current stage of moral development. His method employs extensive structured interviews that must be interpreted by trained experts. Data collection can only be conducted on an individual basis; the MJJ cannot be administered to large groups.

Carol Gilligan (1982) critiqued Kohlberg's theory in her work *In a Different Voice*. Gilligan's first concern was the absence of women in the samples from which Kohlberg developed his theory. Initially, she considered that this deficiency might be responsible for Kohlberg's results, which showed lower levels of moral reasoning for

women. Ultimately, however, Gilligan's research revealed a different way of thinking about moral problems common but not exclusive to women. When she conducted structured interviews with a Sexual Moral Judgment Scale (SMJ), she distinguished two different yet complementary moral voices. One voice, which she labeled the ethics of care, speaks of connection, prevention of harm, care, and response. The other voice, the ethics of justice, resembles Kohlberg's point of view—it speaks of equality, reciprocity, justice, and rights. Gilligan's model hypothesizes three levels of moral reasoning, which are summarized in Table 5.

TABLE 5: GILLIGAN'S HIERARCHY OF MORAL DEVELOPMENT

Level	Focus
1	Caring for self and ensuring survival
Transition Stage	Self-focus as unacceptably selfish
2	Responsibility and material care for dependent others Self-sacrifice
Transition Stage	Questioning illogic of inequality between needs of others and self
3	Dynamic interrelationship between self and others

Like those in Kohlberg's model, Gilligan's levels show higher moral development at higher stages. However, while Kohlberg's model equates adulthood with a justice perspective and equates maturity with separation, self-sufficiency, and independence, Gilligan's model equates adulthood with concern and caring individuals, and maturity with interdependence. The ethics of care proposes that an adequate moral response concentrates on understanding other individuals and their circumstances. This theory implies that individuals respond adequately to the needs and concerns of others, but at the

same time must fulfill their own potential. Differences in the ideals of moral development proposed by Kohlberg and Gilligan are summarized in Table 6.

TABLE 6: IDEAL ADULT MORAL DEVELOPMENT

Gilligan	Kohlberg
Individuals as interdependent	Individuals as separate
Relationships of attention and response	Relationships as hierarchical or contractual
Care as strength	Independence as strength
Importance of interdependence and interpersonal connections	
Importance of autonomy and self-sufficiency	
Needs of others important	Rights of others important

(Source: Reiter 1996)

Gilligan objected to Kohlberg's assumption of a universal standard of development. In her view, theories of justice and autonomy describe individuals as separate entities relating to others in a hierarchical or contractual way. Gilligan (1987) pointed out that the ideals of a liberal democratic society are reflected in the ideal adult defined by Kohlberg's developmental theory. This theory defines an adult as an educated man thinking by himself, as "the ideal moral agent acting alone on the basis of his principles" (Gilligan 1987, 304). The importance given to autonomy in Kohlberg's theory reflects a societal tendency to focus on individualism and individual achievement while devaluing care taking roles. This argument suggests that Kohlberg's theory is not culture free—it reflects the ideals of one country in particular, which may be not valid in other contexts. In contrast, the ethics of care presents the self and others as interdependent, with relationships created by attention and response. A comparison between the ethics of care and the ethics of justice is presented in Table 7.

Asserting that the ethics of care represents a valid moral voice does not require the belief that women and men differ in their nature. If gender differences in moral thinking exist, they are attributable to the different life experiences and socialization processes of the genders, rather than to the biological differences between them. Gilligan (1987) proposed that both types of ethics—justice and care—should be valued and applied.

TABLE 7: COMPARISON OF THE ETHICS OF CARE AND THE ETHICS OF RIGHTS

Ethics of Care	Ethics of Rights
Achieved through perception of oneself as connected to others	Achieved through process of separation and individuation of self from others
Moral dilemmas contextual	Moral dilemmas universal
Dilemmas solved through inductive thinking	Dilemmas solved through application of abstract or formal thinking
Development through stages is sequential and hierarchical	Development through stages is invariantly sequential and hierarchical
Principle of moral responsibility is reflected in voices of women	Principle of moral responsibility is universal
Distinguished by an emphasis on attachments, issues of self-sacrifice and selfishness, and consideration of relationships as primary	Distinguished by an emphasis on separateness, issues of rules and legalities, and consideration of individual as primary

(Source: Reiter 1996)

Despite the differences between the ethics of care and the ethics of rights, both theories were developed using a research instrument that must be administered to one person at a time and that is not easily employed in large-scale studies. Both Kohlberg's MJI and Gilligan's SMJ were found to be reliable in a study conducted by Wilmoth and McFarland (1977). However, a gender bias has been detected in the MJI. Both instruments require a great deal of time and effort to administer and score. The Defining Issues Test (DIT) developed by Rest (1986) avoids such methodological difficulties and has been widely used in accounting research.

Bay (2002) discussed issues arising from the use of DIT in accounting ethics research. First, she argued that while researchers in accounting ethics often develop hypotheses and discuss results using Kohlberg's theory, the empirics tend to be based on the DIT. While results obtained by the MJI indicate an individual's stage of moral reasoning, the results from the DIT only measure the degree to which an individual applies stage five or six of ethical reasoning to solve ethical dilemmas.

Second, studies using the DIT have shown a low correlation (in the range of less than .30) between DIT results and ethical behavior. Roughly an equal number of studies have found no such relationship. For example, Shaub (1989) found no significant relationship between moral development and ethical sensitivity. Others have found contradictory relationships. At least three studies (Ponemon 1992, 1993; Leming 1978) have found that DIT scores exhibit a quadratic relationship with behavior, which is theoretically counterintuitive. This conclusion implies that if education increases DIT scores, as Rest's evidence supports, then an increase in exposure to ethics education decreases one's level of ethical behavior.

Third, there is the issue of potential cultural, gender, religious, and political bias in the instrument (Tsui 1996; Ho 1997; Sweeney 1995). The DIT uses Western religious and political concepts and scenarios that may limit its validity in other countries, even though the theory of moral development claims to be culture free. Ma and Cheung (1996) suggested that differences in respondents' understanding of and response to the DIT are based on culture. Culture is amply recognized in the literature as a strong environmental factor that affects individual perceptions. For that reason, researchers should not assume

that an instrument developed in one country will have the same meanings and will measure the same things when used in another country.

In summary, there are three main issues regarding the use of the DIT in ethics research:

- (1) divergence between the theory that forms the basis of most accounting ethics research and the theory and practice that forms the basis of the DIT;
- (2) potential biases that may result from the use of the instrument; and (3) an incompletely studied relationship of the DIT to behavior. (Bay 2002, 160)

Moral development is one of the most-tested personal variables in accounting research. However, there is no conclusive evidence of its effect on the ethical decision process. The same might be said of gender, the next personal factor to be discussed.

Gender

At present, there are no conclusive results concerning the existence of a gender effect or its direction. Contradictory results have been obtained independently of the sample or the instrument used (DIT or MES) to measure the relationship between gender and the ethical decision-making process. Gilligan's claim that women score lower on the DIT points to a possible gender bias against women in the instrument. However, Shaub (1994), Etherington and Schulting (1995), and Sweeney and Roberts (1997) have found that women score higher on the DIT than men do.

Other research, including a meta-analysis of 56 studies, found no gender effects or quite small effects (Thoma 1986). In a revision of several marketing ethics studies, Tsalikis and Fritzsche (1989) noted that most researchers found that females behave in a

more ethically consistent way than males do. In accounting and other disciplines, some studies have suggested that women's judgments tend to be more ethically sound than those of men (Cohen et al. 1998; Bebeau and Brabeck 1987; Dugan 1987), while others have found no significant differences between the ethical decisions of men and women (Kidwell et al. 1987; Tsalikis and Ortíz-Buonafina 1990; Patterson 1994; López-Paláu 2000).

Summary of Research on Personal Variables

Moral development theory has a long tradition in research. However, prior empirical research has not confirmed the theory's efficacy in explaining behavior in the business ethics context. In general, researchers *assume* a link between moral development and behavior, ignoring the poor relationship found in empirical research. Moreover, the assumption of universality has been taken for granted, reducing the analysis and interpretation of results to preconceived ideas. Marburg (2001) suggested that it is time to leave the concept of moral development and search for something new, or to pursue other theoretical directions that result in the development of concepts with behavioral content.

Some researchers have pointed to the possible bias of the measurement instrument, while others, such as Gilligan, have pointed to a possible bias at the theoretical level. Gilligan's critique has been taken into account by many researchers, who have devoted considerable effort to finding gender differences in various ethical issues. However, these researchers have been focused on finding differences related to biological gender. One possible new road for research is to investigate differences related to the gender socialization process .

The results of ethics research testing moral development and gender have not provided conclusive evidence to explain or predict ethical judgments, intentions, or behavior. However, the influence of ethical evaluation over ethical judgment and intention is strongly supported by many studies that have used the MES. These studies are discussed next.

Original Multidimensional Ethics Scale (MES)

Ethical Evaluations and Judgments

To date, much empirical research about ethical reasoning has used the moral development construct measured by the DIT to explain the ethical judgments of accountants, as previously discussed. However, another empirical approach emerged at the end of the 1980s with the development of the multidimensional ethics scale (MES) by Reidenbach and Robin (hereafter R&R) in 1988. Flory et al. (1992) used the MES for the first time in accounting research.

R&R (1988) developed the MES based on a survey of moral philosophy literature. They identified five normative modes of moral reasoning: justice, deontology, relativism, utilitarianism, and egoism. These constructs determine the “right thing to do” using different approaches. Each of these modes is briefly described in the following paragraphs.

The most influential concepts in justice theory come from the writings of Aristotle. His principle of formal justice specifies that equals should be treated equally. Moral equity philosophy, which is founded on the general concepts of fairness and justice, has been extremely prominent in contemporary moral thought. Kohlberg and

Rest's cognitive moral development literature, for instance, strongly relies on moral equity (Rest 1979).

Proponents of relativism argue that ethical rules are not universal. This type of reasoning is based on the idea that each society or individual has its own ethics, values, and rules of conduct. These rules are linked to culture and are not necessarily applicable to other cultures or individuals.

Deontology suggests that ethics are subject to the duties, obligations, or implied contracts among individuals and between individuals and society. The duties of one individual toward another create rights for the latter. Deontological ethics attempt to determine only what is correct; these ethics do not provide guidelines on how to live a happy life. In contrast, teleological (consequential) ethics attempt to determine what is good for humans. This point of view judges the rightness of an action based on its consequences. Two theories in this category are egoism and utilitarianism. The first defines "right" behavior in terms of its consequences for the individual. The latter seeks to achieve the greatest good for the greatest number of people.

R&R (1988) developed a 33-item instrument and applied it to marketing scenarios. Later, R&R (1990) refined and validated their scale into a more parsimonious eight-item scale. The refined scale includes three of the original five types of reasoning (justice-moral, relativistic, and deontological/contractual). The instrument uses vignettes that describe ethical dilemmas. Respondents evaluate the action in a vignette along a series of semantic differential items, each of which uses a seven-point scale to capture the moral constructs examined. In addition, the instrument typically includes a single unidimensional measure to capture ethical judgments and measures of intention. The

evaluation provides an explanation of why respondents believe a particular action is ethical or unethical according to various moral philosophies. The judgment is the respondent's classification of an action as ethical or unethical. The intention is the individual's subjective probability that he or she would engage in the behavior.

R&R (1988) claimed that their study had four important implications for future ethics research. First, the study generated an initial set of scales that measure various moral philosophy dimensions with a high degree of reliability and a modest degree of convergent validity. These scales are strongly correlated with a univariate measure of ethical evaluation, suggesting a relatively high degree of construct validity. Second, individuals make ethical evaluations that rely not only on deontology and utilitarian rationales, but also on the concepts of the relativistic, egoistic, and justice theories. Third, the nature and organization of the ethical evaluative criteria appear to be situation specific. Fourth, there is the question of whether these patterns of evaluative criteria would be found among different groups or individuals. This concern should be extended to examine the cultural and sub cultural implications of the different ethical theories.

Other researchers have evaluated the MES scale differently. Skipper et al. (1993), for instance, stated that in some cases the scale includes ambiguous endpoints, and in other cases may have hidden assumptions. They argued that ambiguous endpoints create ambiguous midpoints that make it difficult to measure neutrality in responses.

Another concern with the MES is the omission of possible explanations that respondents might use to make their evaluation, but that are not included in the scale. Skipper et al. (1993) discussed four elements: (1) religion, (2) the Golden Rule, (3) utilitarianism, and (4) egoism. The first two elements are not included in the MES;

elements three and four were present in the first scale, but were later dropped in the R&R reduced version. Skipper et al. (1993, 543) argued that religion might be an important element, as “58 percent of the world’s population professes membership in an organized religion” and uniquely religious concepts may influence real-world moral decisions. They argued that because the Golden Rule (“Do unto others as you would have them do unto you”) is a tool used by parents to teach moral education to their children, its concept is relevant to the ethical evaluation process.

MES Replications in the United States

In accounting, Flory et al. (1992) used the reduced version of the scale developed by R&R (1990), which excludes the teleological scales of utilitarianism and egoism. The resulting factors had reliability coefficients ranging from .75 to .92. The adjusted R^2 values, regressing the MES factors against the ethical judgment and intention measures, ranged from .45 to .76. These results support the overall validity of the multidimensional measure. In addition, the factors capture a substantial amount of the variance in the ethical evaluation and behavioral intention measure.

Jones et al. (1993) critiqued Flory et al.’s (1992) omission of the theoretical frameworks of Kohlberg (1976) and Rest (1986), arguing that Flory et al. should have acknowledged the existence of prior relevant research in ethics, developed a correspondence in their scale, or justified the need for an alternative.

Flory et al. (1993) replied to this charge by arguing that the MES is theoretically distinct from Kohlberg and Rest’s work. The DIT employs scenarios that are unrelated to ethical problems in accounting and deals with an enduring trait—the individual’s stage of moral development. In contrast, the multidimensional approach, focusing on the ethical

decision process, describes situations that are relevant and specific to accounting. This approach recognizes that the subtleties of an ethical situation can change both the ethical judgment and behavior of an individual. The MES is more suitable for explaining and predicting ethical behavior. Flory et al. compared the poor predictive validity (adjusted R^2 s) of DIT studies (ranging from non significant to .22) to their results, which ranged between .45 and .76. Table 8 summarizes the differences between the moral development framework and the multidimensional approach.

Cohen et al. (1998) tested for gender- and discipline-based differences in the ethical evaluations and intentions of accounting students and students in other disciplines. A consistent factor structure emerged for all vignettes. Reliability test results in alpha scores ranged from .63 to .80 for all factors. The factors explained between 81 and 86 percent of the variance in individual responses.

Cruz et al. (2002) replicated Cohen's study (1996) using a sample of U.S. tax professionals. A consistent factor structure emerged for all vignettes, which included a utilitarian factor but excluded egoism and caring items. Cronbach's alphas ranged from .73 to .94. Cruz et al. claimed that, overall, factor analysis corroborates the four dimensions of the MES, with the exception of the egoist dimension. The adjusted R^2 values, regressing the MES factors against the ethical judgment and intention measures, ranged from .43 to .89.

TABLE 8: COMPARISON OF THE MORAL DEVELOPMENT AND MULTIDIMENSIONAL APPROACHES

Criteria for Comparison	Moral Development Characteristics	Characteristics of the Multidimensional Approach of Flory et al. (1992)
Specificity	Generalized/non-specific focus	Situational/specific focus
Time	Enduring (results apply over blocks of time)	Temporal (results can change over time)
Orientation for Explaining Behavior	Trait orientation	Process orientation
Ability to Predict Ethical or Unethical Behavior	Poor (majority of adjusted R ² s have been less than .10)	Acceptable to good (adjusted R ² s between 0.45 and 0.76 in Flory et al.)

Source: Flory et al. (1993)

MES Cross-Cultural Research

The research team of Cohen, Pant, and Sharp has devoted considerable effort to refining the MES to make it a valid and useful instrument in accounting and cross-cultural research. In that direction, Cohen et al. (1993) replicated and extended the work of R&R by examining a sample of accounting academics from the United States, Japan, and Latin America. They used an 18-item scale that included the original five moral philosophies plus three univariate measures—one for ethical judgment and two for behavior intention. One of the intention measures was stated in the first person (“I would”), and the second was stated in the third person (“my colleagues or peers”) to test for a social desirability effect.

Different factors and different numbers of factors emerged across the scenarios. However, the reliability measures ranged from .83 to .96. The adjusted R² values, regressing the MES factors against the ethical judgment and intention measures, ranged from .10 to .85. In five of the six scenarios, there was a significant difference when the two intention measures were compared, suggesting the presence of a halo effect. The

authors concluded that future research should examine the five dimensions in more international settings to test the validity of the scales.

Comparisons among the groups revealed a different factor structure by country. Cohen et al. (1993) pointed out the presence of utilitarian factors in the results, arguing for the importance of including this dimension in the scale. More important is the conclusion that a single reliable, parsimonious scale that can be used universally appears somewhat naïve, as the factor structures differed among the country samples. The authors suggested that future research should incorporate measures of moral development, various philosophical constructs, and the cultural dimensions outlined by Hofstede (1980, 1991).

Schultz (1995) critiqued the way in which the variables were presented in Cohen et al.'s questionnaire. First, he noted that the potential dimensions were repeatedly listed before the dependent variables, which might have led respondents to create a strong relationship between the independent and dependent variables. Second, the independent variables were presented in a contiguous pattern and in the same order, which might have led respondents to choose the same derived factor. Third, the scale asked respondents whether the action portrayed in the vignette was or was not ethical, but it did not include an explicit action intention.

Schultz (1995) pointed to two other problematic aspects of the study. First, as the cases dealt primarily with U.S. matters, they might not have been relevant in the other cultures examined. Second, the order of the cases was invariant, and there were eight cases to complete. This structure might have created fatigue in respondents, prompting them to adopt a single and consistent response strategy.

Schultz (1995) agreed with the inclusion of some sort of religious measure, as suggested by Skipper et al. (1993). Schultz argued that religious training represents the first contact with ethical guidelines for many people and therefore constitutes a persistent ethical force. He also agreed with Jones and Ponemon (1993) about the use of theory to guide research. However, he stated that even when use of the Kohlberg and Rest frameworks is in order, there are other contextual models related more directly to the specific context of the decision-making setting that may be more useful.

Subsequent studies have made various refinements to the scale, solving some of these issues. For example, Cohen et al. (1996) attempted to integrate the moral development and MES approaches. These authors contended that the scale items and factor scores of the MES measure the first of Rest's four components—ethical awareness. One important contribution of this study was the inclusion of a scale to capture the concern for caring dimension suggested by Gilligan (1982). In a later study, Cohen et al. (2001) compared their previous results with a sample of Canadian university business students. This replication did not include the ethics of care item in the scale. A consistent factor structure emerged for all vignettes, including a utilitarian factor.

López-Paláu (2000, 2001) replicated and extended the work of Cohen et al. (1996, 1998) using a sample composed of Latin American accountants. López-Paláu (2001) focused on validating the MES in an international setting, as suggested in the literature. In addition, López Paláu (2000) examined the ability of the MES to explain and predict ethical judgments and intentions. A four-factor structure emerged that explained 78 to 90 percent of the variance, but not with the four factors predicted. In addition to the MES factors, other variables were included, such as nationality and gender. In general, the

results confirmed the potential usefulness of the MES model, as well as its superior explanatory and predictive power over univariate measures. The results suggested that the inclusion of personal and cultural variables in the regression model could improve its ability to explain and predict ethical judgments and the first intention measure. Table 9 summarizes the major contribution and the major critique of each study discussed in this section.

Summary of MES Studies

So far, the main contribution of the MES has been to point out that ethical reasoning is a complex phenomenon that may be explained by several factors. It is important to keep in mind that the MES seems to be sensitive to case, country, and scale measures of ethical dimensions. For those reasons, a multidimensional scale must be constructed for each study. The MES appears to be a powerful tool that needs methodological improvement; numerous replication studies are needed to make refinements to this instrument.

Some critiques of the MES are definitely in order, while others reflect the refusal to accept something new. There is a need to improve the scenarios used, the presentation of the variables, the wording of some items, the length of the questionnaire, and the inclusion of other potential explanatory variables. However, there is no need to reconcile the MES with the Kohlberg and Rest framework, as they are different approaches based on different grounds. The scarce evidence accumulated in the literature suggests that the MES has greater explanatory and predictive power over behavior than the Kohlberg and Rest model does.

TABLE 9: REVIEW OF MULTIDIMENSIONAL ETHICS SCALE STUDIES IN ACCOUNTING

Author(s)	Major Contribution	Major Critique
R & R (1988)	Generated the initial set of scales to measure ethical evaluations and intentions according to five moral philosophies.	Omitted potential explanations of individuals' ethical evaluations. No integration with existing ethical decision-making models.
R & R (1989)	Attempted to reduce the scale to a more parsimonious version.	Exclusion of the egoism and utilitarian philosophies. No integration with existing ethical decision-making models.
Flory et al. (1992)	Tested the scale in the accounting discipline, examining issues specific to the profession.	Used the short version without any refinement. No integration with existing ethical decision-making models.
Cohen et al. (1993, 1995)	Tested the scale in a cross-cultural study. Added a question to test for social desirability.	Used Hofstede's framework without testing for real differences across countries. No integration with existing ethical decision-making models.
Cohen et al. (1996)	Related the MES approach to Rest's model. Included one item to measure ethics of care as proposed by Gilligan (1982).	Omitted potential explanations of individuals' ethical evaluations.
Cohen et al. (1998)	Tested for gender and discipline effects in a U.S. sample.	Omitted potential explanations of individuals' ethical evaluations.
López Paláu (2000, 2001)	Tested the scale in a cross-cultural study. Made some refinements to the wording of the scale and used a different methodology to capture intensity.	Used Hofstede's framework without testing for real differences across countries. No integration with existing ethical decision-making models.
Cohen et al. (2001)	Tested for gender and selection-socialization process effects in a Canadian sample.	No integration with existing ethical decision-making models.
Cruz et al. (2002)	Tested the scale in the accounting discipline, examining issues specific to the taxation area.	No integration with existing ethical decision-making models.

Several ethical decision models posit that ethical evaluations influence ethical judgments. The ethical judgment step is followed by a phase in which the individual establishes the intent to engage in a particular behavior. Previous MES studies have shown a strong relationship between these three steps. Moreover, the results support the notion that ethical intentions are better explained by ethical evaluation rather than by ethical judgment. The ability of the MES to explain and predict ethical intention is of great importance, as this step provides an accurate prediction of behavior. The relationship between ethical intentions and behavior is discussed next.

Ethical Intentions

Intention Definition

Rest (1986), Ferrell, Gresham, and Fraedrich (1985), Hunt and Vitell (1986), Jones (1991), and Dubinsky and Loken (1989) explicitly included a phase in their decision-making models in which the individual establishes moral intent to engage in a moral behavior. This step is based on the theory of reasoned behavior developed in social psychology by Ajzen and Fishbein (1975, 1980).

The theory of reasoned behavior and the theory of planned behavior (Ajzen 1991) have as a central factor the individual's intention to perform a given act. The theory of planned behavior, which is an extension of the theory of reasoned behavior, was developed to deal with behaviors over which people have incomplete volitional control. The basic difference between the theories is that the theory of reasoned behavior states that behavior is determined by the individual's intention, while the theory of planned behavior states that behavior is a joint function of intention and perceived behavioral control.

Intentions are assumed to capture the motivational factors that influence a behavior; they are indicators of how hard people are willing to try—of how much effort they plan to exert—in order to perform a behavior. Ajzen (1991) established that “as a general rule, the stronger the intention to engage in behavior, the more likely should be its performance.” However, for intentions to predict behavior accurately, three conditions must be met: (1) intentions and perceptions of control must be assessed in relation to the specific behavior of interest and in the specific context in which the behavior is to occur; (2) intentions and perceptions of control must remain stable in the interval between their

assessment and observation of the behavior; and (3) the perception of behavioral control. must realistically reflect actual control. When a behavior/situation affords a person complete control over behavioral performance, intentions alone should be enough to predict behaviors as established in the theory of reasoned behavior.

Research conducted in the framework of the theory of reasoned behavior has generally found that when behaviors pose no serious problems of control, they can be predicted from intentions with considerable accuracy. In two meta-analyses conducted by Sheppard et al. (1988) to investigate the effectiveness of the Fishbein/Ajzen model, the results provided strong overall evidence for the model's predictive utility. Even when researchers, in many instances, have overstepped the boundary conditions proposed by the model, its predictive utility has remained strong across conditions. Research examining the theory of planned behavior has found that both intentions and perceived behavioral control correlate quite well with behavioral performance.

Measurement of Intention

Most studies in accounting measure intention by asking respondents to indicate how likely they would be to act in the same way that the actors of a given scenario do. Individuals respond on a seven-point scale ranging from high probability to low probability. Cohen et al. (1993) added a second question that asks subjects to assess the probability that their peers would undertake the same action using a seven-point scale. This approach allows the researcher to examine and control for the social desirability effect. In marketing research, Mayo and Marks (1990) refined the measure of ethical intention by asking respondents to indicate how likely they would be to adopt each possible alternative on a scale ranging from zero to one hundred percent.

Intentions are well defined by both the theory of reasoned behavior and the theory of planned behavior. Intentions are a good predictor of behavior in instances in which an individual has total control over whether or not to perform an action. In cases in which an individual does not have total control, perceived control influences behavior jointly with intention. However, in most cases, intention is the more important of the two predictors. Empirical research in many disciplines has validated the usefulness of intentions to predict actual behavior. The wording of items to measure intention should be elaborated cautiously to achieve all the conditions established by theory. However, the conditions appear not to be crucial in the intention-behavior relationship.

Summary of the Chapter

This chapter has presented the models of decision-making developed in the literature, revealing a basic six-step structure (environment, personal factors, ethical evaluation, judgment, intention, and behavior). Culture has been cited as one of the most influential environmental factors. Moral development and gender are the most-tested personal factors. Empirical evidence, however, suggests that neither of these factors is a good predictor of behavior. Ethical evaluations measured with the MES show a strong relationship with individuals' judgments of and intentions to perform a given behavior. The relationships among these steps are presented in the next chapter, in which an alternative theoretical framework is proposed.

CHAPTER 3

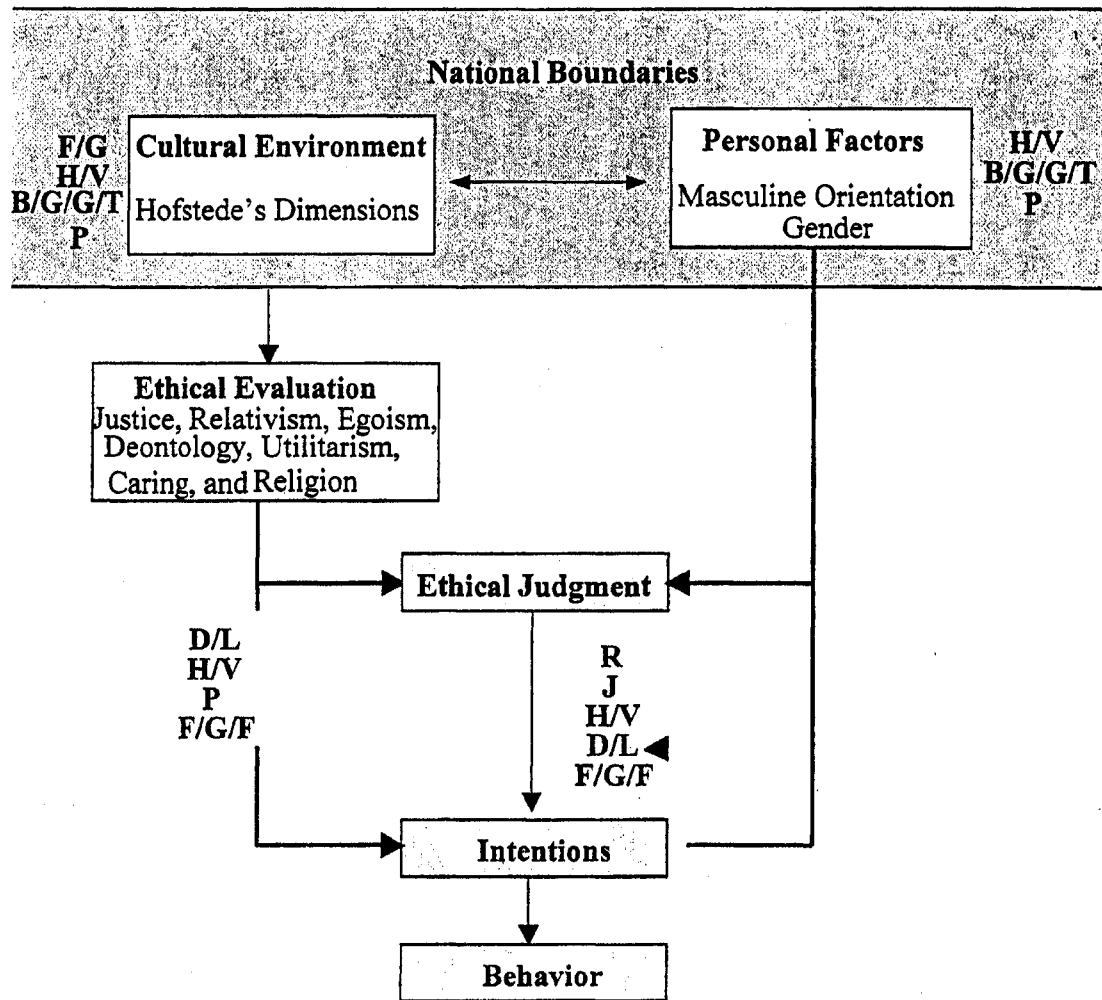
HYPOTHESES

This chapter presents the hypotheses to be tested. First, the theoretical framework of the study is briefly described. Second, the advantages of this framework for conducting ethics research are discussed. Finally, the six research hypotheses are presented.

Theoretical Framework

The proposed theoretical framework is based on the decision-making models developed in the literature discussed in chapter 2. Figure 8 shows a diagram of the proposed model. In general terms, the model establishes the view that individual intentions and ethical judgments are influenced both by ethical evaluation and personal factors, which are themselves affected by national culture. According to the model, intentions are influenced by individual ethical judgments, but other variables, supported by empirical research, are equally explanatory.

The purpose of the model is to explain and predict individual behavior. However, measurement of actual behavior is very difficult. For this reason, the study will measure



Key

- R = Rest
- T = Trevino
- D/L = Dubinsky and Loken
- F/G = Ferrell and Gresham
- H/V = Hunt and Vitell
- B/G/G/T = Bommer, Grato, Gravander, and Tuttle
- F/G/H = Ferrell, Gresham, and Fraedrick
- J = Jones
- P = Patterson

Figure 8. Research Model of Decision-making of Latin American Accountants

intentions. Behavioral literature (Ajzen 1991) has offered evidence suggesting that intention is a reasonable surrogate for behavior. The proposed model uses the MES to

measure ethical evaluation. An ethical evaluation captures an individual's rationale when evaluating an ethical dilemma according to various moral criteria. This study makes modifications and refinements to the scale. In empirical studies, MES factors have been consistently superior to moral development at predicting ethical judgment and intention.

Business ethics cannot be adequately examined in an a-cultural context, as culture shapes the meaning of all concepts that are brought to bear on ethical inquiry (Stajkovic et al. 1997). The proposed model recognizes the bidirectional influence of the cultural environment and individual factors. Such two-way interaction recalls Kleinberg's (1995, 93) assertion that as individuals we not only have immediate personal rights and duties, but are also accountable for the consequences of our collective individual acts and for the public history we are collectively making (Williamson 2002). Individuals are determined by their social situations and are simultaneously free agents influencing their social worlds.

The proposed model includes personal variables related to gender and masculine orientation. Hofstede (1997) pointed out that a particular part of an individual's mental program depends, in most cultures, on whether that individual was born as a girl or a boy. Gender is an involuntary characteristic, in that its effect on individuals is mainly unconscious. Gendered behaviors are learned so early that individuals are usually unaware of other behavioral possibilities. In general, men tend to be programmed with "tough" values and women with more "tender" values, but that gender gap varies by country.

Advantages of the Proposed Framework

The proposed framework offers several advantages over existing models. First, it is similar to other models and at the same time relatively unique, and is thus presented for consideration as an alternative. Some components are similar to those in prior decision-making models (e.g., intention), while others are either not explicitly considered by other models (e.g., national boundaries, masculine orientation) or are conceptualized differently (e.g., the dynamic relationship between environmental and personal factors).

Second, prior accounting ethics research has generally failed to identify and to apply a theoretical model of decision-making. The proposed model not only offers a theoretical framework to investigate ethical decision-making in accounting, but also provides the groundwork to develop further cross-cultural research. Unlike other models, this framework regards individuals as maintaining dynamic relationships with their environments, whereby environments affect individuals and individuals influence their environments.

Third, the model incorporates Hofstede's cultural framework without mixing the levels of analysis. The model was developed to explain the ethical decision-making process of Latin American accountants, but it can be easily adapted to other cultures. The inclusion of individual-level measures allows the researcher to establish the extent to which the samples considered are typical of the cultures examined.

Fourth, the model includes the MES, which has been shown empirically to hold strong explanatory power to capture respondent evaluations. The proposed model adds two factors—the ethics of caring and religion—to the scale. These factors have often

been mentioned in the literature as significant omissions. It is expected that their inclusion will improve the explanatory and predictive power of the MES.

Fifth, the model includes a new personal variable. Masculine orientation measures cultural influences, rather than biological influences, on gender roles. With masculine orientation included in the model, it is possible to identify differences (if any) in the decision-making process resulting from biological gender and/or gender roles.

Sixth, relative to other models, this model is parsimonious. For this reason, it is easily testable. The model uses previously developed measures and operationalizations, adding some new refinements based on prior literature.

Hypotheses

The hypotheses and explanatory variables are based upon prior studies. Each of the hypotheses is stated in an alternative form. The hypothesized sign of the relation is also stated. Figure 9 summarizes the hypothesized relations in the model. Hypotheses will test the effect of MES factors, masculine orientation, and gender on individual ethical judgments and intentions.

Results of MES empirical research show differences in the number and composition of factors. However, in the research as a whole, MES factors have been presented as very good predictors of ethical evaluations and intentions (Cohen et al. 1993, 1996, 1998; Flory et al. 1992; Cruz et al. 2002; López-Paláu 2000, 2001). In general terms, MES factors explain at least half of the total variance, and in most studies, the justice factor is the most important. All the factors are positively correlated with the dependent measure. The more unethical an action is evaluated according to each ethical philosophy, (1) the more unethical the action is judged, and (2) the less likely it is that the

respondent will intend to engage in a similar behavior. These relationships are stated in the first and second hypotheses.

H₁: Ethical dimensions measured by the MES will be positively correlated with respondents' ethical judgments.

H₂: Ethical dimensions measured by the MES will be negatively correlated with respondents' ethical intentions.

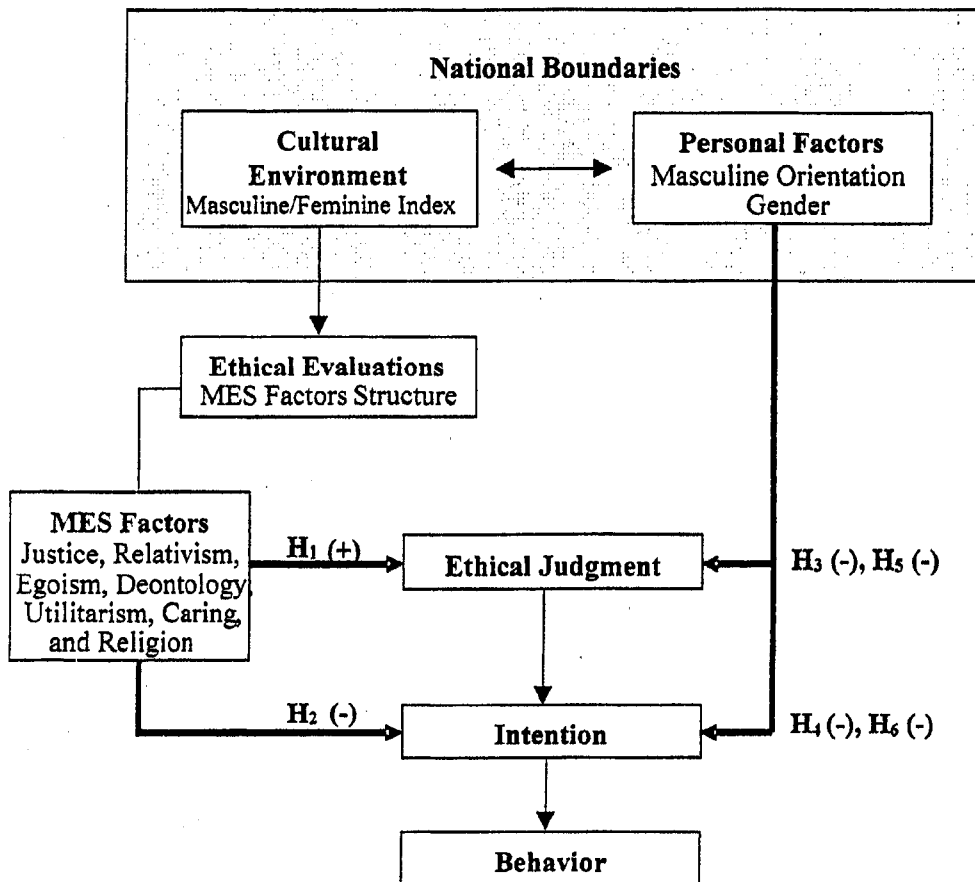


Figure 9: Hypothesized Relationships in the Research Model

* The bold lines represent the relations to be tested, and the thin lines represent relationships stated at the theoretical level but not tested here.

Personal values influence subsequent behaviors by providing (a) the basis for the development of individual attitudes that lead to specific behaviors, (b) criteria for

judgment, preference, and choice that determine standards of performance, or (c) individual cognition that facilitates adaptation to the social environment (Stajkovic et al. 1997). Meanwhile, gender roles—defined as the degree to which a person is culturally influenced by gender—may represent an important variable to explain an individual's ethical judgment and behavior. Gender socialization is influenced by national culture, which establishes different roles, values, and goals according to gender. Individuals, however, vary in the extent to which they use dominant cultural definitions as idealized standards of femininity and masculinity for evaluating their own personality and behavior (Bem 1974).

Theoretically, masculine values tend to be more related to unethical behavior than feminine values. Hofstede (1998, 16) identified many characteristics of masculine societies, including dominant values of material success and progress; importance placed on money and things, assertiveness, ambition, and toughness; a fascination with the “big” and “fast” as beautiful; and stress on equity, mutual competition, and performance. These values may pressure individuals to attain their goals through unethical acts.

It is important to emphasize that women and men may have masculine and/or feminine orientations. It is expected that people with a higher masculine orientation will be more flexible when evaluating ethical dilemmas and more willing to undertake questionable acts. Thus, it is expected that both women and men with high masculine orientations will be more willing to engage in unethical behavior. The negative relationship between masculine orientation and ethical judgment and intention is stated in hypotheses three and four.

H₃: A masculine orientation negatively influences respondents' ethical judgment.

H₄: A masculine orientation negatively influences respondents' ethical intentions.

In prior research, results regarding gender differences have not been conclusive. However, when a significant relationship has been found, it has suggested that women are more ethical than men (Bebeau and Brabeck 1987; Cohen et al. 1998; Dugan 1987). Even when it has been implicitly assumed that such differences result from differences in gender created through socialization rather than biology, no further clarification has been attempted that would explain how gender socialization impacts the decision-making process.

Hofstede (1997) found that in masculine societies, the difference in the masculinity scores of males and females was greater than in feminine countries². It is possible that differences by gender, found in many studies, are the result of the high masculine orientation of the sample, due to the age and/or cultural context of respondents. For example, Cohen et al. (1998) found gender differences in ethical evaluations and intentions in a sample composed of U.S. students, who were presumably less than 25 years old, while López Paláu (2000) found no gender differences in the same variables when examining a sample of Latin American accountants with an average age of 43. This suggests that differences by gender in previous studies may be due to the masculine orientation of the sample and not to a more general gender difference. It is expected that the addition of this variable will improve the explanatory power of the MES model.

² He found a similar relationship with regard to age. Younger individuals tended to show greater differences by gender. At the age of 55, no gender-related differences in values were noticeable.

In masculine countries, more agreement between gender orientation and biological gender in males (male-masculine oriented) is expected than in feminine countries (male-feminine oriented). Thus, male-masculine orientation and female-feminine orientation combinations are more probable in predominantly masculine samples, which may lead to apparent gender differences. Predominantly feminine samples are expected to be composed mainly of females and feminine-oriented males, which may lead to no statistically relevant gender differences. It is expected that men from predominantly masculine-oriented samples will evaluate questionable acts more flexibly and will be more willing to undertake such acts than women. This relationship is summarized in hypotheses five and six.

H₅: Male gender will negatively influence respondents' ethical judgment.

H₆: Male gender will negatively influence respondents' ethical intentions.

The next section presents the research methodology used to test each hypothesis.

The examination of the relationships between the variables included in the model will offer a better understanding of the effects of national culture and gender roles in the ethical evaluations, judgments, and intentions of Latin American accountants.

CHAPTER 4

RESEARCH METHODOLOGY

This chapter discusses the data collection process and describes the research instrument. A brief discussion of the statistical procedures used to test the hypotheses is also offered.

Data Collection

Latin American accountants are the focus of this research. However, university accounting students in their final years of study were selected as subjects. Hofstede has been criticized because of the confounding influence of organizational culture on his research (McSweeney, 2002; Punnett et. al., 1990). To avoid organizational or industry influence, this study examines subjects not yet in the workforce as accountants. Students do not exhibit values that could be attributed to company or industry factors (Punnett et.al., 1994). However, it should be acknowledged that the subjects selected have been influenced by their respective university cultures.

Sample Composition

The sample is composed of accounting students from 11 countries: the United States, Puerto Rico, the Dominican Republic, Mexico, Colombia, Venezuela, Ecuador, Chile, Peru, Uruguay, and Costa Rica. The United States was used as a benchmark, as the first attempts to develop a multidimensional ethics scale were made by researchers using

respondents from United States. López-Paláu (2001) found that this scale was not necessarily valid for Latin American samples.

When classified using Hofstede's indexes, Mexico, Colombia, Venezuela, and Ecuador exhibit a masculine pattern, while Chile, Peru, Uruguay, and Costa Rica show a feminine pattern (López-Paláu, 2001). All of these countries were included in Hofstede's study. These countries will be included in this research to test Hofstede's findings and to identify possible differences in ethical evaluations, judgments, and intentions related to the masculine dimension in Latin American countries.

Puerto Rico and the Dominican Republic were included in order to identify differences, if any, between Caribbean and other Latin American countries. In addition, Puerto Rico, the only Latin American country with over 100 years of close political relations with the U.S., has a mix of Anglo and Latin American cultures—a characteristic that may lead to interesting findings. No cultural indexes have previously been developed for these two Caribbean countries.

Accounting professors of universities in each country were asked to administer the survey. This procedure yields a higher response rate than would a mailed survey, resulting in an adequate sample size and greater administrative uniformity (Kerlinger, 1996).

Sample Size

In determining an adequate sample size, it is important to take into account the number of variables to be examined. Hair et al. (1998) stated that the number of independent variables relative to sample size influences R^2 s. Several rules of thumb have been proposed to address this issue, ranging from 10 to 15 observations per independent

variable to an absolute minimum of 5 observations per independent variable when using multiple regression. For factor analysis, the sample must include 5 to 10 observations per variable. Taking into account the number of variables to be examined using multiple regression, the sample should range from 45 to 135 subjects per country. For factor analysis, the sample size should range from 105 to 210 subjects. There is no correct sample size for structural equation modeling, but recommendations suggest a range of 100 to 200 subjects.

Cohen (1977) suggested that studies should be designed to achieve alpha levels of at least .05 with power levels of 80 percent. To reach this power level, it is necessary to consider both effect size and alpha level. Assuming a moderate effect size of .5 and an alpha level of .05, a sample size of about 70 subjects is sufficient. At the same alpha level, but assuming a smaller effect size of .35, a 130-subject sample is needed to achieve the desired .80 power level. Thus, the sample size should range between 70 and 140 subjects per country.

In order to achieve a reasonable power level without over fitting the data, the sample size for each country group should range between 100 and 200 subjects per country. However, the sample will be narrowly selected, limiting the generalization of the findings to other groups. The results obtained will provide important insights, but they may or may not be applicable to the population of Latin American accountants employed in the profession. As a result, replication studies will be required to test the external validity of the results. This study represents a first step toward gaining knowledge about the ethical decision-making of Latin American accountants. In order to minimize limitations, the sample was selected by matching respondents on such factors as age, and

years of study, gender proportion, and type of university. In this way, it will be possible to make reasonable comparisons between groups.

Instrument Development

The instrument consists of items used in prior studies as well as items developed for this dissertation to measure cultural and personal factors and MES moral philosophies. The instrument is five pages long (see Appendix A). First, respondents will evaluate three scenarios according to the seven moral philosophies presented. Second, three questions will measure the ethical judgments and intentions of respondents. Third, a Spanish version of the Bem Sex Role Inventory (BSRI) developed by Fernandez (2002) will be presented to measure masculine orientation. Then, four questions about the respondent's ideal job, taken from Vunderink and Hofstede (1998), will be presented to measure the masculine/feminine index of the sample. Finally, eight demographic questions will be presented. It is anticipated that the instrument will require 20 to 30 minutes to complete.

Scenarios

The scenarios used in the present study were used in prior studies (Cohen et al. 1996, 1998, 2001; López-Paláu 2000, 2001). Cohen et al. (1996) adapted scenarios from two prior business ethics studies (Burton et al. 1991; Davis & Welton 1991) and conducted two pretests to improve the vignettes presented in these studies. The first pretest was conducted with 10 MBA students, and the second was tested with undergraduate students in liberal arts economics and managerial accounting classes. These scenarios cover a range of general business activities. The use of general business scenarios rather than accounting-specific scenarios helps circumvent the problem of "off

the shelf” solutions referring to pre-determined codes of conduct that could be offered by respondents. Cohen et al. (1998) argued that

Since public accounting firms increasingly view themselves as providing business services, as well as performing attestation functions, professional accountants are subject to not only “professional accounting” ethics problems but also general business ethics dilemmas. (254)

In addition, general business vignettes evoke analogous situations in public accounting.

Previous studies used eight scenarios. Using the complete multidimensional scale, however, López Paláu (2000, 2001) calculated a single Cronbach’s Alpha for each scenario. The alpha coefficients ranged from .65 to .86, and an increasing/decreasing pattern across scenarios was detected, suggesting that respondents were attentive to some scenarios but then lost interest as the survey proceeded. One possible reason for such behavior is that the questionnaire was too long. Like R&R (1988, 1990) and Cruz et al. (2002), this dissertation used only three scenarios.

The selection of the three scenarios to be used in this study was based on the results of López Paláu (2000, 2001) studies. In these studies, all scenarios were evaluated as unethical. The mean of the overall ethical evaluation ranged from a low of .13 to a high of .38 (0 indicates “unethical,” and 1 indicates “ethical”). In this sense, all the scenarios are good candidates for the present study.

The selected scenarios for this study include the one evaluated as more unethical, the one evaluated as less unethical, and the one with the best R^2 in the multiple regression analysis using the factor scores as regressors, in López Paláu (2000,2001). These are 1) an *early shipping bonus* scenario, 2) a *software copying* scenario, and 3) a *dismissal*

choice scenario. The first scenario also examines manager earnings. The other two scenarios, dealing with friends and family, are relevant in collectivistic societies (such as Latin American countries) and are related to the ethics of care.

Measurement of Variables

The study uses three previously developed instruments: the BSRI, the MES, and Hofstede's VSM. Table 10 presents the relationships between the items in the questionnaire and the variables measured with their definition. Most variables were measured with items developed and tested in prior research.

The MES scale was modified in two principal ways. First, some of the endpoints of the scale were changed to create contrary poles. For example, the study uses Morally Right/Morally Wrong instead of Morally Right/Not Morally Right, the opposition employed by Cohen et al. (1998). Second, instead of a seven-point Likert scale, a 10 cm line with two poles is used, on which the subject will place a mark to indicate his or her desired response. A physical measure taken with a ruler is used to derive a percentage. In this way, a non-metric ordinal variable is transformed to a continuous metric variable, capturing the intensity of the subject's response.

Some items, such as the intention, justice, utilitarian, caring, and relativism measures, were modified, and the religious items were added. The intention measures were modified using a scale of probability from 0 to 100 percent in place of "low" and "high." In addition, the phrase *in the same circumstances* was added to better reflect the conditions posited by the theory of reasoned behavior to capture intention as a predictor of behavior.

TABLE 10: RELATION BETWEEN QUESTIONS AND VARIABLES

Variables	Questions	Measurement	Definition
Ethical Judgment	You consider the action described above: Ethical / Unethical	The scale captures the respondent's judgment of an action on a bipolar scale with contrary poles for ethical and unethical.	Metric and continuous in the range 0 to 1
Respondents' Intention	The probability that I would undertake the same action under the same circumstances is: 0% / 100%	The scale captures the respondent's intention to undertake an action on a bipolar scale ranging from 0% to 100%.	Metric and continuous in the range 0 to 1
Respondents' Peers' Intention	The probability that my peers or colleagues would undertake the same action under the same circumstances is: 0% / 100%	The scale captures social desirability, if present, by comparing the intention measure with the previous measure.	Metric and continuous in the range 0 to 1
Justice	Just / Unjust Fair / Unfair Morally Right / Morally Wrong	The scale captures the respondents' evaluations of an action according to their justice philosophy.	Metric and continuous in the range 0 to 1
Relativism	Culturally Acceptable / Unacceptable Traditionally Acceptable / Unacceptable Acceptable / Unacceptable in my Country	The scale captures respondents' evaluations of an action according to their relativism philosophy.	Metric and continuous in the range 0 to 1
Deontology	Violates / Does Not Violate an Unwritten Contract Violates / Does Not Violate an Unspoken Promise There is / There is no Duty Bound to Act this Way	The scale captures respondents' evaluations of an action according to their deontology philosophy.	Metric and continuous in the range 0 to 1
Egoism	Self-Promoting / Detrimental for the Actor Satisfactory / Unsatisfactory for the Actor In Favor / Against the Best Interests of the Actor	The scale captures respondents' evaluations of an action according to their egoism philosophy.	Metric and continuous in the range 0 to 1
Utilitarian	Benefits Greater than Costs / Costs Greater Than Benefits On Balance, It Is Good / It Is Wrong More People are Benefited than Harmed / Most people are Harmed than Benefited	The scale captures respondents' evaluations of an action according to their utilitarian philosophy.	Metric and continuous in the range 0 to 1
Caring	Shows Care / Lack of Care for Key Relationships Shows Empathy / Apathy for Others Prevents / Allows Harm to Others	The scale captures respondents' evaluations of an action according to their ethics of care.	Metric and continuous in the range 0 to 1
Religious	In Agreement / Disagreement with My Religious Beliefs In Favor / Against of the Holy My Religion Allows / Forbids to Act in this Way	The scale captures respondents' evaluations of an action according to their religious values.	Metric and continuous in the range 0 to 1
Masculine Orientation	Bem Sex Role Inventory, Spanish version (Fernandez 2002)	Based on respondent's self-ratings of a list of personality traits on a seven-point scale as in (Bem 1974; Fernandez 2002).	Metric and discrete in the range from 0 to 1
Gender	Female / male		Dummy 1= Female, 0 = Otherwise
Masculine Feminine Sample Index	Four questions taken from Hofstede's Value Survey Module about advancement, earnings, cooperation, and security	The four questions will be answered on a 5-point Likert scale as in Vunderink and Hofstede (1998).	Not used in the analysis

One of the objectives of this dissertation is to develop an ethics scale for Latin America. Since the sample is composed of subjects from ten Spanish-speaking countries, the items must make sense in Spanish. The justice construct was measured with three items, (just, fair, morally right). However, the terms *just* and *fair* have distinct meanings for English-speaking persons; in Spanish, a single word, *justo*, captures both concepts. The item *honesto* was used in the Spanish version.

This study also eliminates the relativism item *acceptable to my family*. In many studies, this item has suggested the justice factor rather than the relativism factor. However, the other two items have clearly and consistently suggested the relativism factor in all MES studies. The item was discarded to avoid validity issues, with the understanding that the other two items are better operationalizations for the relativism construct. A third item, *acceptable in my country* was added.

The utilitarian factor did not emerge in López Paláu's studies but did emerge in Cohen et al. and Cruz et al (2002). R&R (1990) and Flory et al. (1992) used a version of the MES that did not include this factor. Based on the original R&R (1988) items, but with some modifications to wording, this study also includes three more easily understood items to measure the utilitarian factor.

Cohen et al. (1996) and Cruz et al. (2002) included one item that shows compassion and caring to measure the ethics of care. In both studies, the item was eliminated because it did not load clearly on one factor. This study adds three different items that may capture the intended measure. The first, *shows care (or lack of care) for key relationships*, attempts to capture the importance of human beings as interdependent entities, as discussed in Gilligan's ethics of care theory. The second, *shows empathy (or*

apathy) for others, and the third, *prevents (allows) harm to others* attempt to capture the importance of responding to the needs and welfare of others, as also discussed in Gilligan (1982).

Religion has been consistently omitted in previous studies. Shultz (1995) and Skipper et al. (1993), pointing out this omission, encouraged researchers to include some sort of religious measure in ethics studies. In the words of Kerlinger (1986, 464)

An investigator may find that no measure exists for measuring what he wants to measure. Or, if a measure exists, he may deem it unsatisfactory for his purpose. Therefore, he must construct his own measure—or abandon the variable.

With this in mind, this study includes three items to measure religious values: (1) *In agreement (or disagreement) with my religious beliefs*, (2) *my religion allows (forbids) to act in this way*, and (3) *in favor (or against) the holy*. The items were worded to avoid specific religious concepts, maintaining a general tone in order to allow respondents to answer according to their own religious constructs.

In consideration of Shultz's (1995) critique, all the MES items employed were randomly ordered to avoid presenting independent variables in a contiguous pattern. In addition, the direction of the contrary poles was also randomly ordered to prevent respondents from adopting a single and consistent strategy of answering the questionnaire.

The masculine/feminine index was measured with the inclusion of four questions from Hofstede's VSM. Answers were measured with a five-point Likert scale. Such a scale was used by Vunderink and Hofstede (1998), who adapted the VSM questions to a

student sample, as is the case here. The indexes were calculated following Hofstede's (2001) methodology.

The individual's masculine orientation was measured with the Spanish version of the BSRI, which was developed by Fernandez (2002). The BSRI, developed by Bem (1974) for empirical research on physiological androgyny, measures the masculinity and femininity (gender/sex-role orientation) of individuals. The categories used are as follows: masculine (high on the masculine scale and low on the feminine scale), feminine (low on the masculine scale and high on the feminine scale), androgynous (high on the masculine and feminine scales), and undifferentiated (low on the masculine and feminine scales). The characteristics used in the BSRI are based upon traits considered desirable for men and women.

Cross-cultural research has suggested that the BSRI is still satisfactorily valid in the U.S., China, India, Malaysia, Japan, Germany, Italy, France, and Portugal (Moya et al. 1997). Amancio (1993) and Moya (1993) found that the instrument is also valid in its Spanish version. However, the factor structure of the scale tends to be slightly different across countries (Moya et al. 1997). Fernández et al. (2002) used the BSRI to measure the masculinity and femininity orientation of a sample of 5,328 college students from 29 countries in Europe, Asia, Africa, and the Americas (the United States and 11 Latin American countries), concluding that the instrument was valid across cultures. As in this study, Fernández et al. used their results to examine whether the samples were typical of the country in relation to Hofstede's masculine/feminine index.

The questionnaire was translated into Spanish (the first language in the examined Latin American countries, and the first language of the author of this study). Some

changes to vocabulary were made to render the expressions more familiar to Latin American students. An independent translator then translated the items back into English. The original items were compared to ensure that changes in expressions did not change the content of the items.

Statistical Procedures

Masculine/Feminine Index

Items measuring the masculine/feminine dimension were adopted from Hofstede's Value Survey Module (1998), and the indexes were calculated following Hofstede's (2001) methodology. Each calculated sample's index scores were compared with Hofstede's indexes to test the stability of the cultural dimensions over time. It is expected that the sample's index of each country will differ from Hofstede's indexes, but that the relative relationship among them will be sustained, resulting in the same two clusters of feminine and masculine countries that Hofstede found.

Masculinity Orientation

A masculinity score was calculated for each individual following the instructions for scoring BSRI results. These scores were used later as predictors in the regression model.

Factor Structure

Following the methodology of Cohen et al. (1998), an exploratory factor analysis using varimax orthogonal rotation was conducted to examine the stability and relevance of the factors across contexts. Reliability analysis was performed by calculating Alpha coefficients, to validate the scale in all the country samples. It is expected that the items to measure each construct load in the same factor in all the scenarios. However, it is

possible that some factors will emerge in certain samples and not in others, pointing to possible cultural differences.

Regression Model

The factor scores obtained in the factor analysis were used as predictor variables in subsequent multiple regression analyses to explain and predict the univariate measure of ethical judgment and intention. The regression model also includes the masculinity orientation and gender of respondents. Finally, the model was compared to a univariate model, with the intention measure used as the dependent variable and the ethical evaluation used as the only independent variable. The resulting regression model is specified in the following equation, where ϵ represents the disturbances term and the subscript i represents each of the judgment and intention measures:

$$E_i = \beta_0 + \beta_1 (\text{RELI}) + \beta_2 (\text{CAR}) + \beta_3 (\text{JUS}) + \beta_4 (\text{RELA}) + \beta_5 (\text{DEO}) + \beta_6 (\text{EGO}) \\ + \beta_7 (\text{UTI}) + \beta_8 (\text{MAS}) + \beta_9 (\text{GEN}) + \epsilon.$$

Social Desirability Bias

The questionnaire includes two intention measures to test for social desirability bias: the probability of the respondent and the probability of the respondent's peers to undertake the specified action. Paired t -tests were conducted to compare the intention measures in the three scenarios.

The next section presents and discusses the results obtained testing the hypotheses. In addition, it includes other findings that are important to understand the ethical decision making process of the respondents.

CHAPTER 5

RESULTS OF DATA ANALYSES

This chapter discusses the results of the data analysis process. The results presented here are limited to the ten Latin American samples taken as a whole, instead of individual samples, and they do not include the information from the United States sample. The section starts with the description of the sample. Next, descriptive statistics and assumptions of multivariate tests are discussed. Then, the results of factor analyses and the regressions of the ethical judgments and intentions measures are presented. The section ends with two post hoc analyses: one examines the influence of national culture in the relationship between gender and ethical decisions and the other tests for social desirability bias.

Sample Description

The sample was drawn from accounting students of 24 universities of ten Latin American countries. Tables 11 and 12 summarize the characteristics of the sample. The total number of respondents was 2,120. The data were collected in at least two universities in each country, except in the cases of Dominican Republic and Peru where the data were collected at only one university. About 60 percent of the respondents study in public universities. Five samples were taken exclusively in public universities while the remaining samples include respondents from public and private universities.

All the samples, except the Peruvian, are composed of more women than men in proportions ranging from 1.2:1 to 5.7:1 in the case of Ecuador. The proportion of female/male in the total sample was about 2:1. This proportion is quite different compared to the proportion of female/male in the population of these countries of about 50:50, as reported by the CIA World Fact Book for the year 2004. However, most of the collaborators claim that there is a trend of more women than men enrolling in the accounting programs.

TABLE 11: SAMPLE COMPOSITION BY COUNTRY

Country	Sample Size	Number of Participant Universities		Type of University*		Gender*		Age*	
		Public	Private	Public	Private	Male	Female	17-25	Over 25
Colombia	271	1	4	5.1	94.5	41.9	57.4	84.0	15.1
Ecuador	193	1	1	29.0	71.0	13.0	84.5	97.4	2.6
Venezuela	264	1	1	75.8	23.9	23.2	76.8	91.3	8.3
Mexico	309	3	1	70.9	29.1	38.2	61.8	87.4	12.3
Peru	151	1	0	100.0	0.0	51.0	49.0	72.2	27.8
Uruguay	189	1	2	65.6	33.9	45.0	54.5	69.7	29.8
Costa Rica	153	2	0	100.0	0.0	45.8	53.6	79.8	19.5
Chile	175	2	0	100.0	0.0	46.0	54.0	88.6	11.4
Puerto Rico	243	1	1	59.0	41.0	38.7	60.9	72.5	26.3
Dominican Republic	174	1	0	100.0	0.0	31.6	66.7	88.5	11.5
Total	2,120	14	10	1,407	713	773	1,347	1,774	346
Percentage of the Total Sample	100%	58%	42%	66%	33%	36%	64%	84%	16%

* Results are expressed as a percentage of the total sample of each country.

Eighty four percent of the sample is between 17 and 25 years old. At least 70% of the respondents of each sample are in this age category. The distribution among social classes is very similar in all the countries. More than half of the respondents of each sample with the exception of Peru and of the total sample consider themselves as part of the middle class of their country. About three quarters of the sample reported to be catholic. This finding is in agreement with the data presented in the CIA World Fact Book about the populations of these countries. Moreover, the percentages of people

reporting the different religious denominations obtained in this study are very similar to the percentages reported for the populations.

Finally, almost half of the total sample reported to be working while studying. However, most of the respondents work on a part time basis in jobs typically performed by students, like waitress, shop cashiers, office assistants, etc. In addition, most of the working students have less than one year of work experience. For that reason, it is not expected that the organizational culture of their jobs have influenced significantly the respondents' perceptions.

TABLE 12 - SAMPLE COMPOSITION BY COUNTRY

Country	Social Class*			Religion*			Working during Studies*	
	High	Middle	Low	Catholic	Other	None	Yes	No
Colombia	29.4	57.4	11.4	85.4	5.5	9.2	37.9	60.7
Ecuador	8.3	62.7	23.9	91.7	4.7	2.1	29.0	69.4
Venezuela	4.9	66.3	28.1	88.6	9.5	1.9	29.5	68.6
Mexico	12.9	59.2	27.1	83.5	13.3	3.2	44.7	55.3
Peru	6.0	44.4	48.3	78.8	10.6	11.3	88.7	11.3
Uruguay	15.3	68.8	13.7	58.7	7.4	33.9	66.1	33.3
Costa Rica	8.5	64.1	24.9	77.1	15.0	7.8	52.3	46.4
Chile	4.6	58.4	40.0	54.9	14.3	30.9	31.4	68.0
Puerto Rico	15.2	59.4	24.7	58.8	22.2	18.9	81.5	16.9
Dominican Republic	8.0	64.4	25.3	68.4	17.8	13.8	67.8	29.8
Total	258	1,283	546	1,605	253	264	1,085	1,003
Percentage of the Total Sample	12%	58%	25%	72%	11%	12%	49%	45%

* Results are expressed as a percentage of the total sample of each country.

Descriptive Statistics and Assumptions of Multivariate Tests

This section presents descriptive statistics and the assumptions of multivariate tests. Reliability issues are discussed first, followed by correlations among variables and descriptive statistics. Then, tests of multivariate assumptions, including normality, linearity and homoscedasticity are discussed. The section ends discussing tests performed to detect outliers and missing values. Tables 13 – 15 present the descriptive statistics, the correlations among variables and the factor reliability coefficients for each scenario.

Reliability

Chronbach's alpha coefficients demonstrate that the reliability of justice, egoism, care, religion, relativism and utilitarianism factors exceeds (.60). The generally agreed upon lower limit is .70 as advocated by Nunally and Berstein (1994). However, it may decrease to .60 in exploratory research (Hair et, al., 1998).

The deontology factor shows an alpha coefficient for the entire scale from .57 to .59 in the three scenarios. However, if the item *It is a duty bond to act this way* is dropped the alpha coefficient increase to .64, .66 and .65, respectively by scenario. Thereby, reaching the acceptable minimum for further analysis. For that reason, only this item was dropped instead of the entire scale. It seems that the duty bond item is capturing one deontological notion, the duty to act in a determined way. The two remaining variables are more concerned with the existence of contracts among individuals that produce moral obligations, which is in more agreement with the contractualism notion. The deletion of that item does not affect the content validity of the scale because there are different deontological theories being contractualism one of them.

Deontology in theory is strictly defined as the study of duty. In the practice, it is a particular view where duty is the primary moral notion, and that at least some of our duties do not depend on any value that may result from fulfilling them. The basic rationale is to do the right thing because it is the right thing. Contractualism is a theory that bases either moral obligation in general, or the duty of political obedience, or the justice of social institutions, on a contract, usually called a 'social contract'. The contract may be an allegedly historical, tacitly implied, or an imaginary one.

TABLE 13 – DESCRIPTIVE STATISTICS, CORRELATIONS AND RELIABILITY COEFFICIENTS – FIRST SCENARIO

	Mean	St Dev	1 ^a	2	3	4	5	6	7	8	9	10	11	12	13	14
1- Hofstede's Masculine Index	53.33	18.44	n/a													
2- This study's Masculine Index	40.11	8.99	.04	n/a												
3- Gender	.63	.48	.15**	-.15**	n/a											
4- Masculine Orientation	53.01	12.27	.12**	-.10**	.33**	n/a										
5- Justice	66.20	24.22	-.13**	.03	-.02	.05*	(.82)									
6- Egoism	28.01	22.23	-.01	.03	-.06**	-.05*	.09**	(.62)								
7- Relativism	44.97	22.84	-.03	.03	-.00	.06*	.47**	.16**	(.60)							
8- Deontology	64.90	23.64	-.15**	-.00	-.01	.04	.62**	.06*	.37**	(.59)						
9- Care	62.44	23.27	-.21**	.04	-.04	.03	.67**	.06*	.33**	.49**	(.67)					
10- Religion	63.14	24.14	-.13**	.04	.02	.09**	.70**	.08*	.42**	.49**	.62**	(.81)				
11- Utilitarianism	54.77	25.22	-.16**	.03	-.02	.02	.67**	.19**	.42**	.47**	.63**	.60**	(.68)			
12- Ethical Judgment	73.26	27.85	-.11**	.07**	.00	.04	.74**	.03	.34**	.55**	.58**	.60**	.55**	n/a		
13- Respondents' Intentions	38.10	29.76	.12**	-.00	-.07**	-.11**	-.56**	-.13**	-.39**	-.42**	-.44**	-.48**	-.51**	-.54**	n/a	
14- Peers Intentions	53.15	26.08	.024	.02	-.06**	-.10**	-.34**	-.12**	-.35**	-.27**	-.30**	-.29**	-.37**	-.30**	.64**	n/a

** indicates that *p* value is significant at the 0.01 level (2-tailed).

* indicates that *p* value is significant at the 0.05 level (2-tailed).

^a Cronbach Alpha Coefficients are reported along the diagonal

TABLE 14 – DESCRIPTIVE STATISTICS, CORRELATIONS AND RELIABILITY COEFFICIENTS – SECOND SCENARIO

	Mean	St Dev	1 ^a	2	3	4	5	6	7	8	9	10	11	12	13	14
1- Hofstede's Masculine Index	53.33	18.44	n/a													
2- This study's Masculine Index	40.11	8.99	.04	n/a												
3- Gender	.63	.48	.15**	-.15**	n/a											
4- Masculine Orientation	53.01	12.27	.12**	-.10**	.33**	n/a										
5- Justice	65.63	25.00	.07**	-.05*	.05*	.03	(.80)									
6- Egoism	49.46	25.86	-.03	-.00	-.00	-.04	.18**	(.70)								
7- Relativism	42.31	23.16	.12**	-.04	.07**	.05*	.40**	.11**	(.62)							
8- Deontology	60.06	23.29	-.02	-.07**	.06**	.02	.59**	.16**	.36**	(.57)						
9- Care	59.72	24.29	.06*	-.00	.06**	.02	.58**	.16**	.29**	.42**	(.62)					
10- Religion	57.75	23.11	.02	-.05*	.05*	.12**	.59**	.11**	.40**	.39**	.51**	(.78)				
11- Utilitarianism	60.87	24.33	-.01	-.00	.05*	.00	.60**	.30**	.31**	.45**	.56**	.46**	(.64)			
12- Ethical Judgment	65.01	30.70	.08**	-.05*	.06**	.05*	.75**	.17**	.37**	.52**	.53**	.54**	.57**	n/a		
13- Respondents' Intentions	37.39	29.77	-.03	-.03	-.05*	-.03	-.60**	-.17**	-.34**	-.45**	-.44**	-.42**	-.53**	-.58**	n/a	
14- Peers Intentions	47.48	25.99	-.05*	.02	-.07**	-.06*	-.36**	-.16**	-.31**	-.29**	-.28**	-.27**	-.38**	-.35**	.60**	n/a

** indicates that *p* value is significant at the 0.01 level (2-tailed).

* indicates that *p* value is significant at the 0.05 level (2-tailed).

^a Cronbach Alpha Coefficients are reported along the diagonal

TABLE 15 – DESCRIPTIVE STATISTICS, CORRELATIONS AND RELIABILITY COEFFICIENTS – THIRD SCENARIO

	Mean	St Dev	1*	2	3	4	5	6	7	8	9	10	11	12	13	14
1- Hofstede's Masculine Index	53.33	18.44	n/a													
2- This study's Masculine Index	40.11	8.99	.04	n/a												
3- Gender	.63	.48	.15**	-.15**	n/a											
4- Masculine Orientation	53.01	12.27	.12**	-.10**	.33**	n/a										
5- Justice	70.42	23.79	-.08**	.10**	.00	.07**	(.78)									
6- Egoism	34.15	25.58	.06*	-.01	.02	-.00	.08**	(.69)								
7- Relativism	43.76	27.52	.15**	.01	.11**	.11**	.31**	.16**	(.70)							
8- Deontology	67.32	22.93	-.11**	.03	.02	.08**	.58**	.03	.25**	(.59)						
9- Care	60.09	23.95	-.02	.11**	.01	.07**	.63**	.12**	.28**	.41**	(.62)					
10- Religion	64.26	24.03	-.09**	.08**	.04	.07**	.65**	.08**	.30**	.46**	.55**	(.82)				
11- Utilitarianism	51.18	25.68	.00	.10**	.04	.02	.52**	.29**	.35**	.34**	.59**	.47**	(.64)			
12- Ethical Judgment	73.14	27.20	.07**	.09**	.03	.06**	.67**	.04	.23**	.45**	.52**	.54**	.44**	n/a		
13- Respondents' Intentions	45.71	31.43	-.12**	.00	-.12**	-.12**	-.37**	-.14**	-.39**	-.24**	-.35**	-.33**	-.44**	-.32**	n/a	
14- Peers Intentions	55.48	29.09	-.20**	.06*	-.12**	-.12**	-.19**	-.17**	-.38**	-.13**	-.20**	-.17**	-.32**	-.14**	.73**	n/a

** indicates that *p value* is significant at the 0.01 level (2-tailed).

* indicates that *p value* is significant at the 0.05 level (2-tailed).

* Cronbach Alpha Coefficients are reported along the diagonal

Correlations

In general, all the MES factors are positively related with the ethical judgment and negatively correlated with the intention measure in all the scenarios. The egoism factor is significantly correlated to the ethical judgment only in the second scenario. The masculine orientation is negatively correlated with the intention measure and positively correlated with the ethical judgment, but the correlation is statistically significant in only two scenarios. Gender is negatively correlated to the ethical intention, but it is correlated with the ethical judgment in only the second scenario.

These results suggest that the MES factors influences both respondent's ethical judgment and intentions, as posited in the proposed model. However, they suggest that the influence of gender and masculine orientation in respondent's ethical judgments and intentions is situation specific.

Descriptive Statistics

The mean of the ethical judgment measure shows that respondents tend to judge the actions described in the three scenarios as unethical. The first and third scenarios were judged almost the same as the most unethical and the second as the least. The mean of the respondents' intentions measure shows that on average respondents are not willing to act as stated in the scenarios. However, they are more willing to undertake the actions described in the first and third scenarios that were the ones judged as most unethical. The relatively high standard deviation in both measures suggests that there is no consensus in the respondents' answers to these questions in any scenario.

Assumptions of Multivariate Tests

Normality, Linearity and Homoscedasticity -The assumptions of multiple regression analysis include normality, linearity and homoscedasticity of variables (Hair et al., 1998). The univariate normality tests for the continuous variables in the research model reveal that some of the variables were not normally distributed showing a significant skewed distribution. Those variables were transformed to normal scores to meet the model assumptions. Scatter plots were used to detect departures to the linearity assumption. After the needed transformations, the different assumption tests for the continuous variables reveal that none of them show significant violations of normality, and linearity.

Outliers and Missing Values

The test for outliers reveals the presence of some univariate outliers. A close examination of the cases reveals that all are valid observations. Following the recommendation of Hair et. al. (1998) the cases were retained in the analysis.

Missing data may affect the results for two reasons: the pattern and the amount of the missing values. Data may be incomplete, as is the case in this study, due to the instrument design, which is under total control of the researcher. The design of the instrument allows respondents to choose among 21 items, only those that are relevant for them to make the ethical evaluation. This design accepts what at first sight may be seen as an incomplete data set, which is then treated by the statistical software as missing values. Byrne (2001) argues, "...such missingness can provide a wealth of information in its own right and, indeed, often serves as a useful part of experimental analyses". For that reason, the percentages of missing values in this study represent a group of

respondents that do not take into account particular rationales to make their ethical evaluation.

Unfortunately, most statistical software packages of general use do not deal satisfactorily with this issue. In this study, the amount of missing values per individual variable range from 1 to 18 percent. The pairwise deletion was used in the factor analysis to deal with the missing values, minimizing the loss of data. In the application of pairwise deletion, only cases with unobserved scores on variables needed for a particular computation are excluded from the analysis.

The statistics program, SPSS, used in this study does not calculate factor scores for cases with incomplete data. For that reason, the percentages of missing values for the regression analysis increases to a range from 25 to 30 percent in the factors scores variables. Due to the data loss, listwise deletion was used in the multiple regression procedures. This method deletes from all the analysis the cases with incomplete values in any variable. The sample size was not compromised in the process maintaining a very adequate proportion between cases and variables (over 200 cases per variable). However, the results of the regressions only apply to the part of the sample (70-75%) that uses all the rationales to make their evaluations. For example, people that use all the philosophical rationales tested here, except the religious notions are not included in the analysis.

The use of pairwise deletion may be a potential drawback also for SEM (Kline, 2005). The structural equation modeling technique was used strictly in this study with a confirmatory objective. The chi-square indexes obtained in all the cases provides evidence to reject the null hypothesis, meaning that the model does not fit the data.

Given the inadequate fit found by this method, the variability of factors found by the factor analyses procedures, and the missing data, no further effort was made to re-specify the model for a better fit.

The use of the SEM may present a methodological problem in further MES studies due to the design of the instrument resulting in incomplete data. If the listwise option is used to handle the *incomplete* cases, the adequate sample size may be compromised and vital information may be lost. However, pairwise deletion is never recommended as it can substantially bias chi-square statistics, among other problems. Jaccard and Wan (1996) state that regression may be preferred to structural equation modeling when there are small sample sizes.

Factor Analyses

Two ways to determine the adequacy of factor analysis are the Bartlett test of sphericity and the Kaiser-Meyer-Olkin measure of sampling adequacy (Hair et al, 1998). Bartlett's test of sphericity is used to test the null hypothesis that the variables in the population correlation matrix are uncorrelated. This measure provides the statistical probability that the correlation matrix has significant correlations among the variables. If $p < .01$, the null hypothesis is rejected and the factor analysis is desirable.

The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is an index for comparing the magnitudes of the observed correlation coefficients to the magnitudes of the partial correlation coefficients. The index ranges from 0 to 1. Large values for the KMO measure indicate that a factor analysis of the variables is a good idea. Kaiser (1974) offers the following guidelines to interpret the index: over .90, marvelous; over .80, meritorious; over .70, middling; over .60, mediocre; over .50, miserable; and below

.50, unacceptable. All Bartlett tests conducted show that nonzero correlations exist, at the 0.00 significance level. The KMO indexes range from .90 to .92. Both measures point the adequacy of the factor analysis. The procedure was conducted in this study to use the factor scores in the subsequent regression analyses to test the research hypotheses.

The responses to each of the three scenarios were tested by the principal component factor analysis using varimax rotation. Table 16 shows the factor loadings by scenario. Factor loadings show the association between the variable and the factor. A factor loading value is considered significant depending on the sample size and the number of variables and factors. Higher loadings make the variable more representative of the factor and more important to interpret the factor matrix. Factors loadings greater than $\pm .50$ are considered practically significant (Hair et al., 1998). In order to facilitate the interpretation of the factor structure, a cutoff of $\pm .50$ was used to include an item into a factor and an eigenvalue of 1.00 to retain a factor. All the items load significantly on only one factor and all the factors have eigenvalues greater than 1.00. The factors explain between 55 and 61 percent of the variance.

A very similar four-factor structure emerged in the first two scenarios and of five factors in the last. The egoism and the relativism factors emerged in all the scenarios, as predicted. The deontology factor emerged consistently across scenarios, but only contains two of the three variables that supposedly measure it. In two scenarios, the justice, religion, utilitarian and care factors were included in a merged dimension. This dimension results to be the most significant. It was titled religious justice because the loadings of justice and religion variables were the most important to interpret the factor.

TABLE 16 - FACTOR LOADINGS BY SCENARIO

Variables/Scenarios	Religious Justice ^a			Consequences to Others ^b			Egoism			Deontology ^c			Relativism		
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
Just	.818	.762	.641												
Honest	.739	.694	.633												
Morally Right	.548	.555										.500			
On balance	.711	.731	.524												
Benefits	.520					.625									
Persons	.643	.593				.599									
Key	.658	.607				.676									
Empathy	.556	.532				.649									
Hurt	.744	.686	.625												
Permit	.726	.610	.823												
Beliefs	.769	.695	.850												
Holy	.659	.623	.714												
Self promoting							.737	.757	.782						
Interest							.717	.745	.747						
Satisfaction							.756	.775	.784						
Contract										.795	.783	.813			
Promise										.733	.776	.766			
Duty										dropped	dropped	dropped			
Country													.554	.652	.755
Cultural													.748	.692	.719
Tradition													.732	.684	.796

^a The Religious Justice dimension is composed of a merge of the Justice, Utilitarian, Care and Religion factors

^b The Consequences to Others dimension is composed of a merge of utilitarian and caring variables

^c Deontology is composed of only two of the three deontological variables: Promise and Contract

^d A cutoff of a loading of .50 was used to include an item into a factor

^e Due to the use of pairwise deletion sample size varies by analysis ranging from 1726 to 2044.

However, in the third scenario this broad dimension was divided into two factors. One of them contains the religion factor together with two justice variables, one caring and one utilitarian. The other factor consists of two caring and two utilitarian variables. Utilitarianism is one of the teleological philosophies characterized by the importance given to the consequences. The caring theory emphasizes the connection with others. Then, this dimension seems to capture the importance that respondents give to the consequences that an action may have in other persons and it was titled consequence to others, accordingly. Respondents seem to adjust the elements of the broad dimension according to the situation. In addition, respondents seem to adjust the relative importance given to each element within the dimension according to the circumstances.

Hypotheses Testing Results

The usefulness of the MES, masculine orientation and gender to explain and predict the judgments and intentions of respondents will be discussed in this section. A separate hierarchical regression analysis was performed for the ethical judgment and intentions dependent variables for each scenario. The method results in unique increments of variance attributed to each independent variable set. That way, the effect of each new variable entered is clear. The standard *F test* was used to test significance of the contribution of each variable to the Y variance. The MES scores, masculine orientation and gender were entered in the equation in that order, in three steps. The coefficient of determination R^2 tests the explanatory power of the regression equation while the adjusted R^2 allows comparisons among models with different independent variables. The standardized betas allow for comparisons between coefficients as to their relative

explanatory power of the dependent variable. Table 17 presents the results of the hierarchical regression analysis for ethical judgment and intentions by scenario.

First Hypothesis - Ethical dimensions measured by the MES will be positively correlated with respondents' ethical judgments

The factors scores were regressed against the ethical judgment measure, by scenario, to test the first hypothesis. The MES variables together explain from .47 to .58 of the variance comparing satisfactorily with the results of previous MES studies. The MES factors capture, on average, 53 percent of the variance in the ethical judgment providing supporting evidence of the first hypothesis.

All the factors, except egoism, have positive standardized betas and were significant in all the scenarios providing strong evidence to support the first hypothesis (see Table 17, Panel A, first step). As predicted, the more negatively is evaluated an action, according to religious justice, deontology and relativism notions, the more unethical it will be judge. Surprisingly, egoism is negatively related to the ethical judgment in two scenarios meaning that the more adverse consequences an action have for the individual, the more ethical the action will be judged.

The standardized betas shed some additional light on the role that each variable plays in the judgment process. The first factor (religious justice) has the greatest impact in the judgment process in all the scenarios, regardless whether it includes the variables that capture the consequences to others. Deontology and relativism notions supplement the evaluation. Egoist rationales have always the least importance to make the judgment, but its effect is dependent on the circumstances.

TABLE 17 - RESULTS OF HIERARCHICAL REGRESSION ANALYSIS FOR ETHICAL JUDGMENT AND INTENTIONS BY SCENARIO

Panel A: Dependent Variable - Ethical Judgment									
	Scenario I			Scenario II			Scenario III		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Religious Justice	.655	.654	.655	.679	.679	.679	.540	.540	.540
Consequence to Others							.322	.322	.322
Egoism	-.118	-.117	-.116	.098	.098	.098	-.070	-.070	-.070
Deontology	.293	.292	.293	.276	.276	.276	.243	.242	.242
Relativism	.121	.120	.120	.161	.160	.160	.064(.001)	.063(.001)	.062(.001)
Masculine Orientation									
Gender									
ΔR^2		.001	0		0	0		0	0
R^2	.535	.536	.536	.580	.580	.580	.470	.470	.470
F Change	414.768	.976	.659	526.111	.117	.002	276.891	.146	.403
P value	.000	.323	.417	.000	.732	.962	.000	.703	.525
Adjusted R^2	.534	.534	.534	.579	.578	.578	.468	.468	.468
Panel B: Dependent Variable - Ethical Intentions									
Religious Justice	-.541	-.536	-.538	-.558	-.558	-.558	-.266	-.264	-.265
Consequence to Others							-.346	-.345	-.345
Egoism	-.075	-.080	-.085	-.116	-.116	-.116	-.091	-.091	-.090
Deontology	-.154	-.158	-.159	-.263	-.263	-.263	-.316	-.311	-.307
Relativism	-.227	-.222	-.223	-.136	-.136	-.137	-.111	-.109	-.108
Masculine Orientation		-.079	-.059(.009)					-.045(.035)	
Gender			-.062(.005)						-.061(.006)
ΔR^2		.006	.003		0	0		.002	.003
R^2	.364	.370	.374	.418	.418	.418	.310	.312	.316
F Change	206.120	14.19	7.76	273.144	.006	.276	140.090	4.462	7.459
P value	.000	.000	.005	.000	.936	.599	.000	.035	.006
Adjusted R^2	.362	.368	.371	.417	.416	.416	.308	.310	.313

^a All betas are significant at .000, otherwise the significance level is showed in the parentheses.

^b Only betas significant at least at .05 level are shown.

^c Sample size for regressions, by scenario, in Panel A = 1445, 1530 and 1567 respectively

^d Sample size for regressions, by scenario, in Panel B = 1444, 1524 and 1562 respectively.

Second Hypothesis - Ethical dimensions measured by the MES will be negatively correlated to respondents' ethical intentions

The MES factors explain from .30 to .42 of the variance. These results compare satisfactorily with the results of previous MES studies. In general, these variables capture, on average 37 percent of the variance in the ethical intention measure providing general supporting evidence of the second hypothesis.

All the factors have negative standardized betas and were significant in all the scenarios providing strong evidence to support the second hypothesis (see Table 17, Panel B, first step). The more negatively an action is evaluated according to religious justice, deontology, relativism and egoism notions, the lower probability that the respondents engage in the stated behavior, as predicted.

The relative importance given to each one of the philosophical notions, except egoism, changes depending on the situation. In the third scenario, the consequences to others and deontological rationales are more important to assess the probability to undertake the action than the religion and justice rationales. The latter, being the most important consideration in the other examined situations. The egoism notion is the least important consideration in all the instances.

Third Hypothesis - Masculine orientation negatively influences respondents' ethical judgment

The inclusion of masculine orientation into the equation does not result in any significant change in R^2 indicating no significant effect in the ethical judgment (see Table 17, Panel A, second step). The beta coefficients of masculine orientation were not

significant in any scenario. The results do not support the third hypothesis. Masculine orientation does not have any effect in the respondent's ethical judgment.

Fourth Hypothesis- A masculine orientation negatively influences respondents' ethical intentions

The addition of masculine orientation into the equation results in a significant change in R^2 in the first and third scenarios, but not in the second, indicating a significant effect in the ethical intentions, but suggesting that the relationship is situation specific (see Table 17, Panel B, second step). As more masculine is the respondent, the higher the probability to undertake particular unethical behaviors.

The instances where the beta coefficients of masculine orientation were significant, show the relationship in the predicted direction. Masculine orientation is relatively less important when making a decision on how to act than the evaluation made according to the different philosophical rationales. The results partially support the fourth hypothesis suggesting that the gender socialization process may affect the respondents' ethical behavior under particular circumstances.

Fifth Hypothesis - Male gender will negatively influence respondents' ethical judgment

The insertion of the gender into the equation does not result in any significant change in R^2 indicating no significant effect in the ethical judgment (see Table 17, Panel A, third step). The beta coefficients of gender were not significant in any scenario. The results do not support the fifth hypothesis. There is no difference in the respondents' ethical judgments attributable to their gender.

Sixth Hypothesis - Male gender will negatively influence respondents' ethical intentions

The addition of gender into the equation results in a significant change in R^2 in the first and third scenarios, but not in the second. This indicates a significant effect in the ethical intentions, but suggesting that the relationship is situation specific (see Table 17, Panel B, third step). The probability to undertake particular unethical behaviors is higher in males than in women.

The instances where the gender beta coefficients were significant show the relationship in the predicted direction. Gender is relatively less important to make the decision on how to act than the evaluation made according to the different philosophical rationales, but it is more important than the masculine orientation. In the third scenario, the masculine orientation variable lost its significance when gender was included in the equation. The results partially support the sixth hypothesis suggesting that gender may affect the respondents' ethical behavior in specific contexts.

Overall, results suggest that the effect of masculine orientation and gender in the ethical process is situation specific. Hofstede's work states that gender socialization is affected by the national culture being different in feminine and masculine countries. A new regression analyses was conducted to explore if these results are the same in all the Latin American samples examined or if they are affected by the national culture. This is presented in the next section.

Post Hoc Analyses

This section presents the results of two additional analyses. First, the previous regressions were conducted again dividing the samples using the Hofstede's and this study's masculine indexes to explore differences between the samples from feminine and

masculine countries. Second, a hierarchical regression was conducted in the second intention measure to test for social desirability bias.

Regressions with Feminine and Masculine Samples

The masculine index of the sample of each country was determined using the Hofstede's value survey module. Table 18 shows the Hofstede's masculine index and the ones obtained in this study. The indexes obtained for the feminine samples are very similar to Hofstede's indexes. Except Peru, the other three feminine nations clearly maintain their classification as a feminine country.

TABLE 18 – MASCULINE INDEXES BY COUNTRY

Hofstede's Classification	Country	Hofstede's Masculine Index	Present Study's Masculine Index	Female Male Ratio
Unknown	Dominican Republic	Not available	29.93	66:31
	Puerto Rico	Not available	47.06	60:38
Feminine	Costa Rica	21	38.12	54:45
	Chile	28	35.09	54:46
	Uruguay	38	36.65	55:45
	Peru	42	54.94	49:51
Masculine	Ecuador	63	24.09	84:13
	Colombia	64	53.46	57:41
	Mexico	69	42.09	61:38
	Venezuela	73	35.69	76:23

However, the results obtained with the samples of the masculine countries are not that clear. The differences obtained in the masculine indexes seem to be related to the gender composition of the samples. For that reason, the sample was divided two times to test the relationship of masculine orientation and gender with the ethical judgment and intentions. First, it was divided according to Hofstede's indexes and the second according to the indexes obtained in this study. Tables 19 to 22 show the results with the split samples according to Hofstede's and this study's masculine indexes.

Relationship between Masculine Orientation and Ethical Judgment

The inclusion of masculine orientation into the regression does not result in a significant R^2 change in any instance in any sample, despite the criteria used to split the sample (See tables 19 and 20, step 2). Masculine and feminine individuals judge ethical dilemmas in the same way regardless of whether they live in a masculine or a feminine country. This result suggests that the gender socialization process, even if it is affected by the national culture as Hofstede's work posits, does not have any measurable effect in the respondents' judgment process.

Relationship between Gender and Ethical Judgment

The addition of gender into the regression does not result in a R^2 change in any instance, regardless of the criteria used to split the sample (See tables 19 and 20, step 3). Male and females of all the countries sampled judge ethical dilemmas in the same way. This result suggests that gender, as a personal variable does not have any effect in the respondents' judgment process.

Relationship between Masculine Orientation and Ethical Intentions

The inclusion of masculine orientation into the equation for the masculine group results in a significant increase in the R^2 in three instances, while for the feminine samples results in significant R^2 change in two instances (See tables 21 and 22, step 2). When the sample was divided according to Hofstede's index, masculine and feminine sample show the same result in only the third scenario. When the sample was divided using this study's index, both samples shows similar results in the first two scenarios. The masculine orientation results significant in the first scenario for one feminine and both masculine samples. It was significant in one feminine sample in the second scenario and

TABLE 19 - RESULTS OF HIERARCHICAL REGRESSION FOR ETHICAL JUDGMENT USING HOFSTEDE'S INDEX TO SPLIT THE SAMPLE

Panel A: Feminine Sample									
	Scenario I			Scenario II			Scenario III		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Religious Justice	.695	.699	.701	.722	.723	.723	.532	.534	.534
Consequence to Others							.307	.307	.307
Egoism							-.080(.033)	-.079(.035)	-.080(.035)
Deontology	.323	.325	.328	.275	.275	.277	.198	.199	.200
Relativism	.169	.172	.172	.131	.132	.132			
Masculine Orientation									
Gender									
ΔR ²		.002	.001		.001	.001		0	0
R ²	.569	.571	.573	.594	.595	.595	.397	.397	.397
F Change	142.956	2.230	1.506	157.981	.615	.662	58.023	.125	.046
F value	.000	.136	.220	.000	.433	.416	.000	.724	.830
Adjusted R ²	.565	.566	.567	.590	.590	.590	.390	.389	.387
Panel B: Masculine Sample									
Religious Justice	.624	.622	.622	.644	.642	.641	.544	.544	.544
Consequence to Others							.330	.329	.328
Egoism	-.136	-.134	-.134	.143	.144	.144	-.055(.031)	-.054(.032)	-.055(.032)
Deontology	.291	.292	.292	.156	.154	.154	.264	.264	.265
Relativism	.090(.001)	.089(.001)	.089(.001)	.305	.304	.303	.088(.001)	.086(.001)	.086(.001)
Masculine Orientation									
Gender									
ΔR ²		0	0		.001	.001		0	.001
R ²	.493	.494	.494	.543	.543	.544	.502	.502	.503
F Change	169.771	.426	.416	227.862	.845	1.476	157.662	.199	1.420
F value	.000	.514	.519	.000	.358	.225	.000	.655	.234
Adjusted R ²	.491	.490	.490	.540	.540	.541	.499	.498	.498

^a All standardized regression coefficients (β) are significant at $p < .01$, otherwise the significance level is showed in the parentheses.

^b Only betas significant at least at .05 level are shown.

^c Sample size for regressions, by scenario, in Panel A = 438, 437 and 446 respectively

^d Sample size for regressions, by scenario, in Panel B = 672, 773 and 789 respectively

TABLE 20 - RESULTS OF HIERARCHICAL REGRESSION FOR ETHICAL JUDGMENT USING THIS STUDY'S INDEX TO SPLIT THE SAMPLE

Panel A: Feminine Sample									
	Scenario I			Scenario II			Scenario III		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Religious Justice	.634	.633	.634	.665	.664	.665	.512	.512	.512
Consequence to Others							.308	.308	.307
Egoism	-.134	-.133	-.133	.113	.114	.114	-.074	-.074	-.074
Deontology	.287	.287	.287	.243	.242	.242	.256	.256	.256
Relativism	.123	.123	.123	.159	.158	.158	.062(.003)	.062(.004)	.062(.004)
Masculine Orientation									
Gender									
ΔR^2		0	0		0	0		0	0
R^2	.538	.538	.538	.575	.575	.575	.470	.470	.470
F Change	322.532	.119	.104	394.133	.742	.224	212.636	.013	.045
P value	.000	.731	.748	.000	.492	.636	.000	.908	.833
Adjusted R^2	.536	.536	.536	.573	.573	.573	.468	.468	.467
Panel B: Masculine Sample									
Religious Justice	.720	.718	.718	.752	.753	.755	.632	.630	.630
Consequence to Others							.359	.355	.354
Egoism									
Deontology	.317	.319	.320	.383	.386	.384	.223	.222	.220
Relativism	.117	.112	.114	.169	.172	.171	.086(.028)	.086(.041)	.078(.050)
Masculine Orientation									
Gender									
ΔR^2		.004	.002		.001	.001		.001	.003
R^2	.529	.533	.535	.616	.617	.618	.463	.464	.466
F Change	91.991	2.572	1.200	141.529	1.295	.635	61.751	.538	1.674
P value	.000	.110	.274	.000	.256	.426	.000	.464	.197
Adjusted R^2	.524	.526	.526	.612	.612	.612	.456	.455	.456

^a All standardized regression coefficients are significant at $p < .01$, otherwise the significance level is showed in the parentheses.

^b Only betas significant at least at .05 level are shown.

^c Sample size for regressions, by scenario, in Panel A = 1113, 1172 and 1203 respectively.

^d Sample size for regressions, by scenario, in Panel B = 332, 358 and 364 respectively.

TABLE 21 - RESULTS OF HIERARCHICAL REGRESSION FOR ETHICAL INTENTIONS USING HOFSTEDE'S INDEX TO SPLIT THE SAMPLE

Panel A: Feminine Sample									
	Scenario I			Scenario II			Scenario III		
				Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Religious Justice									
Consequence to Others									
Egoism	-.099(.009)	-.102(.007)	-.113(.003)	-.067(.072)			-.096(.023)	-.092(.029)	-.093(.027)
Deontology	-.170	-.167	-.170	-.285	-.286	-.285	-.075(.076)		
Relativism	-.223	-.220	-.220	-.078(.036)	-.082(.025)	-.082(.025)	-.283	-.278	-.274
Masculine Orientation					.111(.003)	.118(.002)			
Gender									
ΔR^2		.003	.004		.012	0		.002	.001
R^2	.387	.390	.394	.412	.424	.425	.252	.254	.255
F Change	68.394	2.066	2.523	75.554	9.149	.331	29.621	1.564	.430
P value	.000	.151	.113	.000	.003	.565	.000	.212	.512
Adjusted R^2	.382	.383	.385	.407	.418	.417	.243	.244	.243
Panel B: Masculine Sample									
Religious Justice									
Consequence to Others									
Egoism	-.062(.050)	-.072(.023)	-.071(.024)	-.137	-.139	-.139	-.096(.001)	-.098(.001)	-.098(.001)
Deontology	-.156	-.159	-.160	-.270	-.269	-.269	-.096(.002)	-.093(.002)	-.096(.001)
Relativism	-.195	-.187	-.189	-.145	-.142	-.142	-.311	-.304	-.302
Masculine Orientation		-.104(.001)	-.080(.016)					-.059(.052)	
Gender			-.072(.029)						-.111(.000)
ΔR^2		.010	.005		.002	0		.003	.011
R^2	.310	.320	.325	.371	.373	.373	.297	.300	.311
F Change	77.956	10.605	4.758	112.891	2.218	.111	65.892	3.797	12.533
P value	.000	.001	.029	.000	.137	.739	.000	.052	.000
Adjusted R^2	.306	.135	.319	.368	.369	.368	.292	.295	.305

^a All standardized regression coefficients are significant at $p < .01$, otherwise the significance level is showed in the parentheses.

^b Only betas significant at least at .10 level are shown.

^c Sample size for regressions, by scenario, in Panel A = 438, 436 and 446 respectively.

^d Sample size for regressions, by scenario, in Panel B = 700, 769 and 786 respectively.

TABLE 22 - RESULTS OF HIERARCHICAL REGRESSION FOR ETHICAL INTENTIONS USING THIS STUDY'S INDEX TO SPLIT THE SAMPLE

Panel A: Feminine Sample									
	Scenario I			Scenario II			Scenario III		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Religious Justice	-.519	-.519	-.518	-.553	-.554	-.555	-.245	-.244	-.244
Consequence to Others							-.352	-.352	-.352
Egoism	-.051(.036)	-.051(.036)	-.058(.017)	-.119	-.119	-.119	-.066(.005)	-.066(.005)	-.065(.007)
Deontology	-.147	-.146	-.147	-.260	-.260	-.260	-.134	-.133	-.134
Relativism	-.239	-.236	-.236	-.132	-.133	-.133	-.323	-.320	-.316
Masculine Orientation		-.060(.013)	-.043(.093)						
Gender			-.048(.063)						-.060(.018)
ΔR^2		.004	.002		0	0		0	.003
R^2	.356	.359	.361	.436	.436	.436	.328	.328	.331
F Change	152.931	6.221	3.456	224.863	.095	.351	116.329	.747	5.621
P value	.000	.013	.063	.000	.759	.554	.000	.388	.018
Adjusted R^2	.353	.356	.358	.434	.434	.433	.325	.325	.327
Panel B: Masculine Sample									
Religious Justice	-.607	-.604	-.603	-.575	-.574	-.574	-.318	-.310	-.311
Consequence to Others							-.318	-.296	-.295
Egoism	-.156	-.167	-.173	-.107(.013)	-.108(.012)	-.109(.012)	-.175	-.174	-.176
Deontology	-.202	-.206	-.209	-.271	-.270	-.271			
Relativism	-.193	-.180	-.185	-.144	-.143	-.143	-.311	-.286	-.281
Masculine Orientation		-.145(.001)	-.121(.006)					-.150(.001)	-.130(.006)
Gender			-.091(.036)						
ΔR^2		.021	.008		0	0		.022	.005
R^2	.410	.431	.439	.361	.361	.361	.268	.289	.294
F Change	56.726	11.771	4.439	49.507	.078	.071	26.086	10.773	2.481
P value	.000	.001	.036	.000	.780	.789	.000	.001	.116
Adjusted R^2	.403	.422	.428	.353	.352	.350	.257	.277	.280

^a All standardized regression coefficients are significant at $p < .01$, otherwise the significance level is shown in the parentheses.

^b Only betas significant at least at .05 level are shown.

^c Sample size for regressions, by scenario, in Panel A = 1113, 1168 and 1199 respectively

^d Sample size for regressions, by scenario, in Panel B = 331, 356 and 363 respectively

in one masculine sample in the third. These results suggest four important possibilities. One, masculine orientation may affect the respondents' ethical behavior in particular situations. Two, in some circumstances, masculine persons are more willing to undertake unethical behaviors than feminine persons. Three, such difference in ethical behavior is more expected among people from masculine countries. Four, national culture affects respondents' ethical behavior through the gender socialization process.

Relationship between Gender and Ethical Intentions

The insertion of gender into the equation for the masculine group results in a significant increase in the R^2 in three instances, while for the feminine samples it results in significant R^2 change in only one instance (See tables 21 and 22, step 3). Masculine and feminine samples show the same non-significant result in only the second scenario, regardless of the index used to split the sample. In the first scenario, gender was significant for masculine samples, but it was not significant for the feminine samples. In the third scenario, gender was significant for the masculine sample and was not for the feminine when Hofstede's index was used. The inverse result was obtained when this study's index was used. These results suggest four important possibilities. One, gender may affect the respondents' ethical behavior. Two, in some circumstances, males are more willing to undertake unethical behaviors than females. Three, such difference in ethical behavior is more expected among people from masculine countries. Four, the gender socialization process is affected by the national culture, being the differences in the ethical behavior by gender more noticeable in masculine countries than in the feminine.

Social Desirability

A pervasive problem of ethics research is a social desirability response bias, resulting from an individual's need to be seen as to be conforming to societal norms. Social desirability bias may be a threat to construct validity. In addition, it may attenuate, accentuate, or moderate the relationship between constructs (Ganster, 1983). One way to deal with the effects of social desirability bias on direct questioning, for example first person self report, is using indirect questioning (Fisher, 1993). The questionnaire includes two intention measures, the probability of the respondents and of the respondent's peers to undertake the specified action, to test for social desirability bias. The means for the intention measures across the scenarios suggest that respondents reported that they would act more ethically than their peers. In all the scenarios, the results of the paired test were highly significant and in the expected direction, suggesting that respondent's peers are more willing to undertake unethical actions than respondents.

However, answers to the indirect question may actually reveal what respondents think typical others might do, but also may reveal respondents' own attitudes and evaluations. Indirect questioning may be also subject to social desirability bias because respondents may underreport socially desirable characteristics or overreport socially undesirable characteristics for typical others, to make themselves look better (Jo, 2000).

The approach used in this study to deal with this issue was to conduct a hierarchical regression of the peers' intentions measure to detect significant changes in the results. Table 23 shows the results of the regression. Results reveal that the equation

TABLE 23: RESULTS OF HIERARCHICAL REGRESSION ANALYSIS FOR PEERS' INTENTIONS BY SCENARIO

Dependent Variable - Peers' Ethical Intentions									
	Scenario I			Scenario II			Scenario III		
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
Religious Justice	-.214	-.210	-.211	-.556	-.555	-.555	-.100	-.097	-.097
Consequence to Others							-.220	-.218	-.218
Egoism	-.351	-.347	-.348	-.264	-.264	-.264	-.148	-.148	-.148
Deontology	-.093	-.097	-.100	-.151	-.150	-.150	-.045(.049)	-.041(.072)	-.041(.071)
Relativism	-.091	-.090	-.091	-.132	-.132	-.132	-.348	-.340	-.336
Masculine Orientation		-.070(.040)	-.055(.030)					-.065(.004)	-.045(.062)
Gender			-.043(.087)						-.063(.009)
ΔR^2		.005	.002		.001	0		.004	.003
R^2	.180	.185	.187	.424	.425	.425	.200	.204	.207
F Change	78.876	8.439	2.929	280.058	.179	.027	77.617	8.147	6.788
P value	.000	.004	.087	.000	.672	.870	.000	.004	.009
Adjusted R^2	.178	.182	.183	.423	.423	.422	.197	.201	.204

^a All standardized regression coefficients are significant at $p < .01$, otherwise the significance level is showed in the parentheses.

^b Only betas significant at least at .10 level are shown.

^c Sample size for regressions, by scenario = 1441, 1523 and 1560 respectively

model loses some of its explanatory power, but the relationships tested are still significant. It is important to notice that the relative importance of egoism increases in this model with respect to respondents' intentions. A possible source of social desirability bias in this sample is the trend of respondents to underreport egoistic rationales, but actually, they are willing to act in an egoistic way.

If the true respondents' assessment is a value between their response to the direct question and to the indirect question, the results of the regression of the peers' intentions can be considered as the low boundary of the true answer range. The presence of social desirability bias in this study does not affect the validity or interpretations of the results. These results confirm the need to control for social desirability bias when designing cross-cultural ethics studies.

Chapter Summary

The results of the regression analyses provide additional evidence of the usefulness of the MES instrument to explain the respondents' ethical judgment and intentions. They do not provide evidence to support the third and fifth hypotheses: masculine orientation or male gender negatively influences respondent's ethical judgments. They provide evidence to partially support the fourth and sixth hypotheses: masculine orientation or male gender negatively influences respondent's ethical intentions. However, the results provide strong evidence to support the first and second hypothesis: ethical dimensions measured by the MES are positively correlated with respondents' ethical judgments and negatively correlated with the respondents' ethical intentions. The more unethical an action is evaluated according to each ethical

philosophy, the more unethical the action will be judged, and the less likely it is that the respondent will intend to engage in a similar behavior.

The results provide evidence to partially support the influence of masculine orientation and gender in the ethical intentions. They also provide evidence to discard that they influence the ethical judgment, suggesting that respondents use different evaluative criteria to make the judgment or take an action. Results suggest that the effect of masculine orientation and gender is situation specific. In some circumstances, male and masculine persons are more willing to act unethically than female or feminine individuals. People from masculine nations are more eager to behave in this way than people from feminine countries.

Results suggest the presence of social desirability bias. However, the procedures used to detect it suggest that the results obtained and their interpretations are valid. In addition, the approach used identifies a range for the true values and determines the impact of the social desirability in the results. The practical implications of these findings will be discussed in the next chapter together with some final remarks.

CHAPTER SIX

DISCUSSION AND CONCLUSIONS

This section starts with a discussion and interpretation of the results. Next, the validity of the findings are presented, followed by the implications of the study for theorists and practitioners. Then, the limitations of the study are addressed, ending with suggestions for future research.

Discussion and Interpretations of Results

Effect of MES factors in the Respondents' Ethical Judgment

The first two hypotheses tested the effect of the MES factors in the ethical decision making process. Results strongly support both hypotheses, but also, they provide additional understanding regarding the respondents' evaluative criteria in the process. In general, Latin American respondents use four main notions in their ethical decision making process: (1) Religious Justice dimension, (2) egoism, (3) deontology, and (4) relativism.

Religious Justice

This broad dimension is composed of elements of justice, religion, care and utilitarianism. The identification of this broad dimension is particularly important for several reasons. First, this broad dimension includes a religious component that was not included in previous studies that left out important evaluative criteria. Second, it includes a caring element that did not emerge in previous MES studies using US samples. Third, it includes

utilitarian elements that did not emerge in some studies or emerged as a separate dimension in others. Fourth, the composition of this dimension suggests that the justice rationale is more complex than was considered previously, that its meaning is not universal, and that it seems to be highly related to the respondents' religious foundation.

The composition of the broad dimension changes by situation. However, several elements emerged consistently across scenarios: the religion dimension, two justice items (just and honest), one utilitarian variable (on balance it is good), and one caring variable (prevents harm to others). This mix of elements suggests that the main core of this evaluative dimension is based on the respondents' religious foundation reinforced by their sense of justice. They also consider the consequences to others in terms of the harm that it may produce and if justice is served. This is not surprising considering that the separation of the state and the church is a relatively new phenomenon in many Latin American countries.

The utilitarian variable (on balance it is good) attempted to measure the concept of tradeoff among good and evil to produce the greatest good for all society. However, it appears that Latin American respondents ascribe a different meaning to the variable relating it with the distribution of justice instead of the intended utilitarian meaning.

The principle of formal justice, equals ought to be treated equally, does not explain how to determine equality or how to determine equality when persons or acts are unequal. Philosophers often refer to six principles of distributive justice; to each person: (1) an equal share, (2) according to the person's rights, (3) according to merit, (4) according to individual need, (5) according to individual effort and (6) according to

societal contribution. Individuals and societies often use different distributive principles in different situations.

The results suggest that the caring variable *prevents harm to others*, is capturing a concept of respect to the integrity and dignity of human beings as if it were a universal law. It is important to distinguish between the utilitarian variable *more people are benefited than harmed* and the variable *prevents harm to others*. The first variable makes a tradeoff between the benefit and the harm and the latter evaluates the harm in an absolute sense independently if a benefit may be produced. Due to the fact that the harm is expressed in a general term, it may include physical, emotional, economic or any kind of harm.

These two types of consequences appear to have its roots on the religious rationale. It may be argued that the moral systems of most religions consist of *moral codes*, which are lists of prescriptions (things people must do) and proscriptions (things people must not do). Prescriptions are associated with good consequences (people go to heaven) and proscriptions are associated with bad consequences (people go to hell). Then, people should behave according to the prescriptions and avoiding the proscriptions to have the good consequences. In the case of the catholic religion, which is the most frequent in Latin America, there are specific prescriptions regarding not to harm others and the importance to act according to God's justice. However, other kind of consequences appear not to have this strong relationship with religion, and in one instance emerged as a different factor.

Consequences to Others

The individuals' welfare may be described in material and non-material terms. The variables *show care for key relationships* and *show empathy for others* seem to capture the harmony and camaraderie among persons that may be defined as solidarity. This interdependence among people takes into account the consequences over the welfare of the group. The utilitarian variable *more benefits than costs* and *more people are benefited than harmed* seems to capture the material consequences that an action may have in the collective.

While utilitarianism is more concerned with the distribution of benefits over the costs, solidarity is more concerned with the others' welfare in a non-material sense. However, it appears that in some instances, like in the third scenario, these consequences to others are less important when making the evaluation. Whereas they are more important when deciding how to act as compared to the other components of the religious justice dimension. It is important to notice that respondents give more importance to the consequences that may affect the collective rather than the ones that may affect individuals. This may be related with the collectivistic nature of Latin Americans.

Egoism

The other consequentialist rationale, egoism, emerged consistently as a separate dimension, being the less important in most cases. This finding is particularly interesting because egoism has been important in business due to the work of Adam Smith who argued that through an invisible hand business operating in its own self interest will produce the greatest economic good for society. Smith's work provides a link between the egoism and the utilitarianism because the concern for society is utilitarian. Much of the justification for capitalism is based in the egoism and utilitarianism concepts. Moreover, the

majority rule promoted by democratic systems is based on a utilitarian concept. Then, it is surprising that people from capitalist and democratic countries do not give primary importance to the egoism and utilitarian rationales to make their evaluations.

It is important to notice that in the first and third scenarios the relationship between egoism and the ethical judgment is negatively correlated, contrary to the predicted effect. This means that in those instances, the more the actor results benefited, the more unethical the action will be judged. These scenarios deal with situations where implicitly the actor or an actor's close friend will be monetarily benefited. In addition, the situations presented may have a religious reference to the Christian commandment of *don't give false testimony*. In the first scenario, the delivery of the merchandise that the customer does not need in some sense is like the manager is lying to the customer to take economic advantage of the situation. In the third scenario, the copy of copyrighted software implies that both friends are lying to the author of the program to be monetarily benefited. This contradictory result may be explained by a discrepancy between religious principles and capitalistic values.

Deontology

The two retained deontological items emerged consistently as a separate dimension and as the second more important. This dimension is more concerned with the existence of contracts among individuals that produce moral obligations than with the duty to act in a determined way, which is in more agreement with the contractualism philosophy. Contractualism is any theory basing either moral obligation in general, or the duty of political obedience, or the justice of social institutions, on a contract, usually called a 'social contract'.

Relativism

The relativism rationale emerged consistently as a separate dimension, more important than the egoism rationale, but less important than the social contract. In the Latin American context, this rationale may be related with the collectivistic nature ascribed to those countries. Due to their strong sense of belonging, they are willing to internalize, to promote and to perpetuate some behaviors distinctive of the group, making them traditions and part of the culture.

In summary, Latin American respondents evaluate ethical dilemmas using simultaneously different criteria. In general, they consider first their religious principles together with the consequences to others and if justice is served. Then, they evaluate social obligations followed by the acceptability of the action. The last consideration is the effect of the action on them.

Effect of MES factors in the Respondents' Ethical Intentions

Results support the second hypotheses meaning that as more unethical an action is judged, the probability that respondents undertake the action is smaller. However, the MES has a better explanatory power of the judgment measure than of the intentions measure. It suggests that the evaluative criteria to undertake a particular behavior are more complex than the evaluative criteria to make an ethical judgment.

In general, respondents organize the ethical evaluative criteria in one way to make ethical judgments and in another to assess the probability of their own ethical behavior under similar circumstances. The differences in the criteria used for the two processes are mainly due to the increase in importance given to the relativism concept and the inclusion of other variables to make the decision on how to act. This suggests that people

are willing to act in a way that may be different to what they understand or believe as correct, if the behavior is acceptable in the particular context. In business, this may imply that the current behavior of the personnel of an organization is more important than the written policies or codes of conduct to maintain the ethical atmosphere.

Effect of Masculine Orientation and Gender in the Ethical Decision Making Process

Hypotheses three to five tested the effect of masculine orientation and gender in the ethical judgment and intentions. Results partially support the relationship of these variables with respondents' intentions, but do not support the relationship with the ethical judgment. This result suggests that men and women or masculine and feminine persons evaluate the situations in the same way, but differ in their intentions of how to act. Then, the difference in the socialization process by gender does not necessarily result in differences in how people think, but influences how people act.

It is important to notice that differences in the ethical behavior by gender or masculine orientation seems to be situation specific. Differences in the ethical intentions by gender and masculine orientation were noticed in the first and third scenarios. As previously discussed, these scenarios deal with implicit monetary benefits and have some indirect religious content. Apparently, economic reward may pressure males and masculine persons to act in an egoist way and against religious principles. In addition, this difference in behavior is more probable in masculine countries pointing the effect of national culture. It seems that the differences in ethical behavior by gender or masculine orientation is not caused by the promotion of such behavior. Instead, it appears that masculine societies are more willing to tolerate deviations to the acceptable behavior.

It can be argued that the socialization of women is more strict and rigorous than the socialization of men, requiring a strong agreement between how they think and act. For long time the sphere of action of women was the house, a "protected environment". Women usually are trained to say "no" to many things (sex before marriage, alcohol, etc). Then, when women go to the labor sphere, an "unprotected environment" they are willing to say "no" to situations that are against their moral formation. In the same token, it can be argued that the socialization of men is oriented to expose individuals to accept challenges, to go for adventures, to say "yes" to everything, to "survive" in an open and "unprotected" environment. Then, men are not required to maintain strong agreement between what they think and how they act, due to the external pressures that they have to deal.

Validity of Findings

It is essential that behavioral data analyzed statistically be both reliable and valid. Score reliability is a necessary but insufficient requirement for validity. Reliability concerns the degree to which scores are free from random measurement errors. Validity concerns whether the scores measure what they are supposed to measure and that they do not measure what they are not supposed to measure (Thompson, 2003). Most forms of score validity are included under the concept of construct validity. There is no single, definitive test of construct validity, nor is it usually recognized in a single study (Kline, 2005). The score reliability was discussed in Chapter Five. This section discusses validity issues relevant to this study.

Construct Validity

Content Validity

One component of construct validity is content validity, which concerns whether test items are representative of the domain that they are supposed to measure. There are no tests to measure this validity, but reasonable methods of instrument design may secure content validity. The scales used in this study were adopted from previous studies, where the content validity was established. Modifications, refinements and additions made to those scales were based on a careful literature review. The scores used in this study fulfill the conditions for ensuring content validity.

Convergent Validity

If the correlations among a set of variables presumed to measure the same construct are at least moderate in magnitude, it can be established convergent validity (Kline, 2005). Intercorrelations among the variables contained in each factor were significant at $p < .0001$ and moderate or high in magnitude pointing adequate convergent validity.

Discriminant Validity

If the correlations among a set of variables presumed to measure different constructs are low in magnitude, it can be established discriminant validity (Kline, 2005). Intercorrelations among the variables of different factors were low in magnitude pointing adequate discriminant validity.

External Validity

External validity is concerned with the degree to which results can be generalized to the population. This study used a conveniently selected sample of accounting students. When possible, the sample was drawn from students of different universities in each country in an attempt to diversify it. The sample obtained may or may not be representative of the accounting students. For that reason, the findings cannot, and will not, be generalized to the population.

Implications of the Study for Theorists

This study proposed and tested a theoretical framework to investigate ethical decision making in accounting in a cross-cultural context. The proposed model incorporates Hofstede's cultural framework and a multidimensional ethics scale to explain and predict the evaluations, judgments and intentions of Latin American accountants. This study contributes to accounting ethics literature by offering additional evidence of the link between ethics and culture, providing some support to the validity of Hofstede's indexes across time and by testing a research design that incorporates Hofstede's theory without mixing the levels of analysis.

The study used the MES developed by R&R (1988) with some refinements and modifications. The most important refinement was the inclusion of scales to measure religion and to incorporate the theory of care developed by Gilligan (1982). The religion scale shows high reliability and reasonable construct validity, being this study the first to successfully capture this element in the MES. The caring scale shows reasonable reliability and construct validity being this study the first to capture with reasonable success the caring dimension in the MES. The first attempts to measure the caring

notions using the MES scale in Cohen et. al.(1996) and Cruz (2002) were not successful, having to delete the scale used due to unacceptable low reliability.

In addition, the instrument was tested in ten Spanish speaking countries with results that confirm its usefulness to explain and predict the respondents' ethical judgment and intentions. In this way, the study contributes to accounting ethics research providing other researchers with an improved and reliable measurement instrument to conduct cross-cultural ethics research.

This study provides evidence of the usefulness of the MES to explain the respondents' evaluative criteria to judge an ethical dilemma and their intention to act in a particular way. In addition, the results provide evidence to support the superiority of the MES factors over the Kohlberg- DIT approach to explain and predict respondents' ethical intentions. Despite the fact that the R^2 s are not as strong as expected, the utility of the MES to explain the behavioral intentions of the respondents is evidenced by the better explanatory power over the results of DIT studies and the univariate measure of ethical judgment. The R^2 s of DIT studies, attempting to predict the respondents' intentions, range from non-significant to .22 (Flory et al, 1993). All the obtained R^2 s in this study, ranged from .30 to .42, which are greater than the best .22 of the DIT studies.

The results provide evidence in the contrary to Kohlberg's theory. The moral development theory can be summarized as a process where people evolve from egoist to justice and contractualism rationales. The results show that Latin American respondents use, simultaneously, justice, contractualism, relativistic and egoist rationales to make

their evaluation and make their decisions³. Applying Kohlberg's theory, the results imply that people may be at the same time at different stages of moral development, in a clear contradiction with the process stated by the theory.

This finding suggests that there is not a hierarchical evolution in the individuals' moral development. Instead, there are multifactorial evaluative criteria that people adjust to make their evaluations. Moreover, respondents use different criteria to make the judgment and to make a decision of how to act. In general, the results do not provide supporting evidence to Kohlberg's assumptions of a universal standard of moral development. In addition, they add some new evidence to the debate between Kohlberg's theory of justice and Gilligan's theory of care.

Gilligan's theory can be summarized as a process where people evolve from isolation to dynamic interrelationships where the needs of others are important. The claim of Gilligan of a second voice speaking of connection, care and response appears to be valid in Latin America. The findings show that the care and justice elements were part of a broad dimension, supporting Gilligan's idea of two complementary voices. Moreover, they provide evidence to support Gilligan's claim that Kohlberg's theory reflects the ideals of one country in particular, which may not be valid in other contexts.

Another important conclusion of this study is that there is not a universal model of ethical decision-making, or universal ethical evaluative criteria. For that reason, the development of a universal ethical measurement instrument makes no sense. However,

³ This finding supports the Hunt and Vitell model (1986) in the Latin American context. They posited that individuals use teleological rationales simultaneously to make their evaluations.

the MES proves to be a good tool to explain the respondents' judgment and intentions processes providing important information about the evaluative criteria.

Respondents reported that they would act more ethically than their peers, pointing to a possible social desirability bias. This suggests that people need to be seen as if they are conforming to societal norms (stages third and fourth of the moral development theory), even if they think in other ways and if they are willing to act in other way. This may imply that the decision to act unethically is taken in a private and intimate individual space. However, the others acceptance to particular behaviors has great influence in the individuals' decision. These results confirm the need to control for social desirability bias when designing cross-cultural ethics studies.

Implications for Practitioners

One important conclusion derived from this study is that the way to promote ethical behavior in the business and accounting context is by acting ethically and not allowing unethical behaviors rather than by discussing ethical codes of conduct. The same token, ethics courses in business schools should focus not only in the philosophical and theoretical elements of ethics, but also emphasize the importance to act accordingly and to not tolerate unethical behaviors.

One practical application of the MES may be its use in corporate ethical audits. The use of multiple scenarios may provide a tool to identify specific ethical problems and to determine if employees maintain corporate values that will aid to design ethical trainings and policies. In the academic context, the application of the instrument to students may provide critical information to review the content of business ethics courses or discipline curriculums.

Limitations

As in all studies, there are limitations that must be reported. First, Latin American accountants are the focus of this research, but university accounting students in their final years of study were selected as subjects. This selection has the advantage that students do not exhibit values that could be attributed to company or industry factors. It should be acknowledged that the results may or may not be relevant to accounting professionals. However, the use of students in this study provides a benchmark for future research examining accounting professionals.

Cross-cultural research has an inherent difficulty and a cost burden to collect the data. This study was possible thanks to the kind collaboration of more than forty accounting professors of eleven countries that generously administered the questionnaire to 2,221 students (see Appendix B). Even when the author provided them with specific instructions about the administration of the questionnaire it is assumed that the uniformity in the process was not necessarily the best, which may affect the results. Another inherent difficulty to conduct cross-cultural research relates to the accuracy of the translation process. Despite the reasonable precautions taken to ensure the equivalency of the two language versions, there is a possibility that subtle differences in translation may have affected the results.

A methodological limitation arose due to the instrument design. As previously discussed, the instrument design allows for incomplete data that the statistical program used cannot manage accordingly. For that reason, the results apply only to those respondents that use all the philosophical dimensions, which are about 70 to 75 percent of

the total sample. Fortunately, the sample size of this study was large enough to conduct the statistical procedures adequately, but it may be a serious issue in future studies.

Future Research

In the future, it will be interesting to conduct similar studies in different groups and countries to identify the patterns of evaluative criteria that will help to generalize the findings. Since religion is one of the most influential factors in the evaluative criteria it will be worth it to conduct similar studies comparing individuals of different religions. Another possible research avenue is to conduct interdisciplinary studies that examine the socialization process by gender and its effects in the individuals' professional behavior.

Most of the model of ethical decision-making posits that there are environment and personal factors that affect the evaluative process, but the identification of the factors and empirical evidence of such relationships are still needed. Gender and masculine orientation deserves more research focusing in determining other external variables that trigger behavioral differences between groups. The study of individuals' tolerance to unethical behaviors provides a new approach to gain understanding of the ethical decision making process. The individual's self esteem may be a good candidate to study as a personal factor assuming that a person with a high self esteem and secure of him or herself is less willing to imitate or tolerate others wrong behavior. The examination of the legal system may be interesting because some unethical behaviors are also illegal in different countries (ie, theft, reproduction of copyrighted material).

One interesting research line could be to test the effect of different consequences, grades of opportunity and levels of others' tolerance to unethical behavior, in the probability of respondents to undertake a specific action. Using the same situation

establishing different combinations of consequences, others' tolerance and opportunity may do this. The consequences may be specified, for example, in economics, individuals' emotional wealth, or acceptance in a particular group. The degree of opportunity may be established by phrases like "many people in the company have done it before without being detected"; "some people did it before, but were fired", etc.

This research has almost gone beyond the possibilities of a single researcher's time and economic resources. Nevertheless, it has helped to gain understanding of the subtleties around the ethics of the accounting profession in Latin America. The author hopes that this study will encourage other researchers to conduct cross-cultural ethics research that will contribute to the development of better measurement instruments capable of predicting ethical behavior in different contexts.

REFERENCES

- Agacer, G., and T. Douppnick. 1991. Perceptions of auditors' independence: A cross-cultural study. *International Journal of Accounting* 26:220-37.
- Ajzen, I. 1991. The theory of planned behavior. *Organizational Behavior and Human Decision Processes* 50:179-211.
- Ajzen, I., and M. Fishbein. 1980. *Belief, attitude, intention and behavior: An introduction to theory and research*. Reading, MA: Addison-Wesley.
- Amancio, L. 1993. Stereotypes as ideologies: The case of gender categories. *Revista de Psicologia Social* 8:163-70.
- Armstrong, M., E. Ketz, and D. Owsen. 2003. Ethics education in accounting: Moving toward ethical motivation and ethical behavior. *Journal of Accounting Education* 21:1-16.
- Armstrong, R. 1996. The relationship between culture and perception of ethical problems in international marketing. *Journal of Business Ethics* 15:1119-1208.
- Baskerville, R. 2003. Hofstede never studied culture. *Accounting Organizations and Society* 28:1-14.
- Bay, D. 2002. A critical evaluation of the use of the DIT in accounting ethics research. *Critical Perspectives on Accounting* 13:159-77.
- Bebeau, M., and M. Brabeck. 1987. Integrating care and justice issues in professional moral education. *Journal of Moral Education* 16:289-95.
- Becker, H., and D. Fritzsche. 1987. Business ethics: A cross-cultural comparison of managers' attitudes. *Journal of Business Ethics* 6:189-202.
- Bem, S. L. 1974. The measurement of psychological androgyny. *Journal of Consulting and Clinical Psychology* 42:165-72.
- Benedict, J., and M. Steenkamp. 2001. The role of national culture in international marketing research. *International Marketing Review* 18:30-44.

- Bommer, M., C. Gratto, J. Gravander, and M. Tuttle. 1987. A behavioral model of ethical and unethical decision-making. *Journal of Business Ethics* 6:265–80.
- Brody, R., J. Coulter, and P. Mihalek. 1998. Whistle-blowing: A cross-cultural comparison of ethical perceptions of U.S. and Japanese accounting students. *American Business Review* 16:14–21.
- Brody, R., J. Coulter, and L. Suming. 1999. The effect of national culture on whistle-blowing perceptions. *Teaching Business Ethics* 3:385–400.
- Burton S., W. Johnston, and E. Wilson. 1991. An experimental assessment of alternative teaching approaches for introducing business ethics to undergraduate business students. *Journal of Business Ethics* 10:507–17.
- Byrne, B. 2001. *Structural Equation Modeling with AMOS*. New Jersey: Lawrence Erlbaum Associates, Publishers.
- Central Intelligence Agency, 2004. *World Factbook*.
<http://www.odci.gov/cia/publications/factbook/html>.
- Cloward, R., and L. Chlin. 1960. *Delinquency and opportunity*. Glencoe, IL: Free Press.
- Cohen, J. 1977. *Statistical power analysis for the behavioral sciences*. New York: Academic Press.
- Cohen, J., L. Pant, and D. Sharp. 1992. Cultural and socioeconomic constraints on international codes of ethics: Lessons from accounting. *Journal of Business Ethics* 11:687–700.
- . 1993a. A validation and extension of a multidimensional ethic scale. *Journal of Business Ethics* 12:13–26.
- . 1993b. Culture based ethical conflicts confronting multinational accounting firms. *Accounting Horizons* 7:1–13.
- . 1995. An exploratory examination of international differences in auditors' ethical perception. *Behavioral Research in Accounting* 7:37–64.
- . 1996. A methodological note on cross-cultural accounting ethics research. *International Journal of Accounting* 31:55–66.
- . 1998. The effect of gender and academic discipline diversity on the ethical evaluations, ethical intentions and ethical orientation of potential public accounting recruits. *Accounting Horizons* 12:250–70.

- . 2001. An examination of differences in decision-making between Canadian business students and accounting professionals. *Journal of Business Ethics* 30:319–36.
- Cruz, C., W. Shafer, and J. Strawser. 2000. A multidimensional analysis of tax practitioners' ethical judgments. *Journal of Business Ethics* 24:223–244.
- Davis, J., and R. Welton. 1991. Professional ethics: Business students' perceptions. *Journal of Business Ethics* 10:451–63.
- Dawar, N., and P. Parker. 1994. Marketing universals: Consumers' use of brand name, price, physical appearance, and retailer reputation as signals of product quality. *Journal of Marketing* 58:81–95.
- Dubinsky, A., M. Jolson, M. Kotabe, and U. Chae. 1991. A cross-national investigation on industrial salespeople's ethical perceptions. *Journal of International Business Studies* 22:651–70.
- Dubinsky, A., and B. Loken. 1989. Analyzing ethical decision-making in marketing. *Journal of Business Research* 19:83–107.
- Dugan, D. 1987. Masculine and feminine voices: Making ethical decisions in the care of the dying. *Journal of Medical Humanities and Bioethics* 8:129–40.
- Fernández, I., P. Carrera, F. Sánchez, and D. Páez. 2002. Prototipos emocionales desde una perspectiva cultural. *Revista Electrónica de Motivación y Emoción* 4 (8–9).
- Ferrell, O., and L. Gresham. 1985. A contingency framework for understanding ethical decision-making in marketing. *Journal of Marketing* 49 (Summer): 87–96.
- Ferrell, O., L. Gresham, and Fraedrich, J. 1989. A synthesis of ethical decision models for marketing. *Journal of Macromarketing* 9:55–64.
- Fishbein, M., and I. Ajzen. 1975. *Understanding attitudes and predicting social behavior*. Englewood Cliffs, NJ: Prentice Hall.
- Fisher, R.J. 1993. Social desirability bias and the validity of indirect questioning. *Journal of Consumer Research* 20:303–315.
- Flory, S., T. Phillips, R. Reindenbach, and D. Robin. 1992. A multidimensional analysis of selected issues in accounting. *Accounting Review* 67:284–302.
- . 1993. A reply to "A comment on a multidimensional analysis of select issues in accounting." *Accounting Review* 68:417–21.

- Ganster, D.C., H.W. Hennessey, and F. Luthans. 1983. Social desirability response effects: Three alternative models. *Academy of Management* 26:321-331.
- Gilligan, C. 1982. *In a different voice*. Cambridge, MA: Harvard University Press.
- . 1987. New maps of development: New visions of maturity. In *Women, culture and morality*, ed. J. L. DeVits, 279–307. New York: Peter Lang.
- Goodwin, J., and D. Goodwin. 1999. Ethical judgments across cultures: A comparison between business students from Malaysia and New Zealand. *Journal of Business Ethics* 18:267–81.
- Gowthorpe, C., J. Blake, and J. Dowds. 2002. Testing the bases of ethical decision-making: A study of the New Zealand auditing profession. *Business Ethics* 11:143–56.
- Gul, F., and J. Tsui. 1993. A comparative study of auditors' attitudes to uncertainty qualifications: An empirical test of the strong versus weak uncertainty avoidance hypothesis. *International Journal of Accounting* 28:356–64.
- Gump, L., and R. Baker. 2000. Cultural and gender differences in moral judgment: A study of Mexican Americans and Anglo-Americans *Hispanic Journal of Behavioral Science* 22:78–94.
- Hair, J., R. Anderson, R. Tathan, and W. Black. 1998. *Multivariate data analysis*. 5th ed. New Jersey: Prentice Hall.
- Hampden-Turner, C., and F. Trompenaars. 1997. Response to Geert Hofstede. *International Journal of Intercultural Relations* 1:149–59.
- Hansen, R. 1992. A multidimensional scale for measuring business ethics: A purification and refinement. *Journal of Business Ethics* 11:523–34.
- Henthorne, T., D. Robin, and R. Reidenbach. 1992. Identifying the gaps in ethical perceptions between managers and salespersons: A multidimensional approach. *Journal of Business Ethics* 11:849–56.
- Hofstede, G. 1980. *Culture's consequences: International differences in work-related values*. 1st ed. Beverly Hills, CA: Sage.
- . 1983. The cultural relativity of organizational practices and theories. *Journal of International Business Studies* Fall:75–90.
- . 1987. *Cultures and organizations: Software of the mind*. New York: McGraw-Hill.

- . 1998. *Masculinity and femininity: The taboo dimension of national cultures*. Thousand Oaks: Sage.
- . 2001. *Culture's consequences: Comparing values, behaviors, institutions and organizations across nations*. 2nd ed. Thousand Oaks: Sage.
- . 2002. Dimensions do not exist: A reply to Brendan McSweeney. *Human Relations* 55:1355–1361.
- Hofstede, G., and M. Bond. 1988. The Confucian connection: From cultural roots to economic growth. *Organizational Dynamics* 4:5–21.
- Honeycutt, E., J. Siguaw, and T. Hunt. 1995. Business ethics and job related constructs: A cross-cultural comparison of automotive salespersons. *Journal of Business Ethics* 14:235–48.
- Hunt, S., and S. Vitell. 1986. A general theory of marketing ethics. *Journal of Macromarketing* 6 (Spring): 5–16.
- Inkeles, A., and D. Levinson. 1969. National character: The study of modal personality and sociocultural systems. *The handbook of social psychology*. 2nd ed. Vol 4. Reading, MA: Addison-Wesley.
- Jaccard, J. and K. W. Choi. 1996. *LISREL approaches to interaction effects in multiple regression*. Thousand Oaks, CA: Sage Publications.
- Jo, M. 2000. Controlling social desirability bias via method factors of direct and indirect questioning in structural equation models. *Psychology and Marketing* 17:137-148.
- Jones, S., and L. Ponemon. 1993. A comment on "A multidimensional analysis of selected ethical issues in accounting" *Accounting Review* 68:411–416.
- Jones, T. 1991. Ethical decision-making by individuals in organizations: An issue-contingent model. *Academy of Management Review* 16:366–95.
- Kaiser, H.F. 1974. Little Jiffy, Mark IV. *Educational and Psychology Measurement*. 34:111-117.
- Karnes, A., J. Sterner, R. Welker, and F. Wu. 1989. A bicultural study of independent auditors' perceptions of unethical business practices. *International Journal of Accounting* 24:29–41.
- Kaufman, J. 1985. American and Israeli planners: A cross-cultural comparison. *Journal of the American Planning Association* 51:352–64.

- Kerlinger, F. 1986. *Foundations of behavioral research*. New York: Holt, Rinehart and Winston.
- Kidwell, J., R. Stevens, and A. Bethke. 1987. Differences in ethical perceptions between male and female managers: Myth or reality? *Journal of Business Ethics* 6:487-93.
- Kline, R. 2005. *Principles and Practice of Structural Equation Modeling*. 2nd ed. New York: Guilford Press.
- Kleinberg, M. 1995. The selling of ethics: The ethics of business meets the business of ethics. *Accounting, Auditing & Accountability Journal* 8:81-97.
- Kohlberg, L. 1976. Moral stages and moralization: The cognitive-developmental. In *Moral development and behavior: Theory, research and social issues*, ed. T. Lickona, New York: Holt, Rinehart and Winston.
- Kujala, J. 2001. A multidimensional approach to Finnish managers' moral decision-making. *Journal of Business Ethics* 34:231-54.
- Langlois, C., and B. Schlegelmilch. 1990. Do corporate codes of ethics reflect national character? Evidence from Europe and the United States. *Journal of International Business Studies* 21:519-39.
- Loring, J. 1978. Cheating behavior, situational influence and moral development. *Journal of Educational Research* 17:213-17.
- Long-Chuan, L., G. Rose, and J. Blodgett. 1999. The effects of cultural dimensions on ethical decision-making in marketing: An exploratory study. *Journal of Business Ethics* 18:91-105.
- López-Paláu, S. 2000. Multidimensional ethics scale usefulness to explain and predict ethical evaluations and intentions of Latin American accountants. Paper presented at the ABO Research Conference, Chicago.
- . 2001. Ethical evaluations, intentions and orientations of accountants: Evidence from a cross-cultural examination. *International Advances in Economic Research* 7:351-64.
- Lyonski, S., and W. Gaidis. 1991. A cross-cultural comparison of the ethics of business students. *Journal of the Academy of Marketing Science* 18:463-477.
- Ma, H., and C. Cheung. 1996. A cross-cultural study of moral stage structure in Hong Kong Chinese, English and Americans. *Journal of Cross-Cultural Psychology* 27:700-13.

- Marnburg, E. 2001. The questionable use of moral development theory in studies of business ethics: Discussion and empirical findings. *Journal of Business Ethics* 32:275–83.
- Mayo, M., and L. Marks. 1990. An empirical investigation of a general theory of marketing ethics. *Journal of Business Ethics* 10:141–50.
- McDonald, G. 2000. Cross-cultural methodological issues in ethical research. *Journal of Business Ethics* 27:89–104.
- McNair, C. 1991. Proper compromises: The management control dilemma in public accounting and its impact on auditor behavior. *Accounting, Organization and Society* 16:635–53.
- McSweeney, B. 2002. The essentials of scholarship: A reply to Geert Hofstede. *Human Relations* 55:1363–72.
- Moya, M., D. Páez, P. Glick, I. Fernández, and G. Poeschl. 2002. Sexismo, masculinidad-feminidad y factores culturales. *Revista Electrónica de Motivación y Emoción* 4 (8–9).
- Moya Morales, M. C. 1993. Categorías de género: consecuencias cognitivas sobre la identidad. *Revista de Psicología Social* 8:171–87.
- Mullon, M. 1995. Diagnosing measurement equivalence in cross-national research. *Journal of International Business Studies* 26:573–98.
- Nakata, C., and K. Sivakumar. 1996. National culture and new product development: An integrative review. *Journal of Product Innovation Management* 13:462–63.
- Nunnally, J and I.H. Bernstein. 1994. *Psychometric Theory*. 3rd Edition. New York: McGraw-Hill.
- Nyaw, M., and I. Ng. 1994. A comparative analysis of ethical belief: A four-country study. *Journal of Business Ethics* 13:543–55.
- Patterson, D. 1994. A model of ethical/unethical decision-making by auditors in the big six accounting firms. PhD diss., Georgia State University.
- Pedhazur, E. J., & L. P Schmelkin. 1991. *Measurement, design, and analysis: An integrated approach*. Hillsdale, New Jersey: Erlbaum.
- Ponemon, L. 1992. Ethical reasoning and selection-socialization in accounting. *Accounting, Organizations and Society* 17:239–58.

- . 1993. Can ethics be taught in accounting? *Journal of Accounting Education* 11:185–209.
- Punnett, B.J.J.B. Singh and G. Williams. 1994. The relative influence of economic development and Anglo heritage on expressed values: empirical evidence from a Caribbean country. *International Journal of Intercultural Relationships*. 18:99–115.
- Punnett, B.J. and S. Whithane 1990. Hofstede's value survey module: To embrace or abandon? That is the question. In S.B. Prasad (Ed.) *Advances in International Comparative Management*, Greenwich, CT: JAI Press.
- Randall, D., and A. Gibson. 1990. Methodology in business ethics research: A review and critical assessment. *Journal of Business Ethics* 9:457–71.
- Reidenbach, R., and D. Robin. 1988. Some initial steps toward improving the measurements of ethical evaluations of marketing activities. *Journal of Business Ethics* 7:871–79.
- . 1990. Toward the development of a multidimensional scale for improving evaluations of business ethics. *Journal of Business Ethics* 9:639–53.
- . 1995. A comment on a multidimensional scale for measuring business ethics: A purification and refinement. *Journal of Business Ethics* 12:663–65.
- Reidenbach, R., Robin, D., and L. Dawson. 1991. An application and extension of multidimensional ethics scale to selected marketing practices and marketing groups. *Journal of Academy of Marketing Science* 2:83–92.
- Reiter, S. 1996. The Kohlberg-Gilligan controversy: Lessons for accounting ethics education. *Critical Perspectives on Accounting* 7:33–54.
- Rest, J. 1979. *Development in judging moral issues*. Minneapolis: University of Minnesota Press.
- . 1986. *Moral development: Advances in theory and practice*. New York: Praeger.
- Schultz, J. 1995. An analysis of international comparisons of moral constructs underlying auditors' ethical judgment. *Research on Accounting Ethics* 1:220–31.
- Schultz, J., D. A. Johnson, D. Morris, and S. Dyrnes. 1993. An investigation of the reporting of questionable acts in an international setting. *Journal of Accounting Research* 31:75–103.
- Schwyn, B., and E. Griffith. 2001. The evaluation of IT ethical scenarios using a multidimensional scale. *Database for Advances in Information Systems* 32:75–84.

- Shaefer, W., and L. J. Park. 1999. An empirical investigation of cultural differences in ethical decision-making among US accounting students. *Journal of Education for Business* 74:220–31.
- Shafer, W., R. Morris, and A. Ketchand. 2001. Effects of personal values on auditors' ethical decisions. *Accounting, Auditing & Accountability Journal* 14:254–77.
- Sharp, D., L. Pant, and J. Cohen. 1998. Are women held to a higher moral standard than men? Gender bias among university students. *Teaching Business Ethics* 2:197–209.
- Shaub, M. 1994. An analysis of the association of traditional demographic variables with the moral reasoning of auditing students and auditors. *Journal of Accounting Education* 12:1–26.
- . 1995. An analysis of international comparisons of moral constructs underlying auditors' ethical judgment. *Research on Accounting Ethics* 1:127–36.
- Sheppard, B., J. Hartwick, and P. Warshaw. 1988. The theory of reasoned action: A meta-analysis of past research with recommendations for modifications and future research. *Journal of Consumer Research* 15:325–43.
- Singh, J. 1995. Measurement issues in cross-national research. *Journal of International Business Studies* 26:597–619.
- Singhapakdi, A., S. Vitell, and O. Leelakulthanit. 1994. A cross-cultural study of moral philosophies, ethical perceptions and judgments: A comparison of American and Thai marketers. *International Marketing Review* 11:65–79.
- Sivakumar, K., and C. Nakata. 2001. The stampede toward Hofstede's framework: Avoiding the sample design pit in cross-cultural research. *Journal of International Business Studies* 32:555–575 .
- Skipper, R., and M. Hyman. 1993. On measuring ethical judgments. *Journal of Business Ethics* 12:535–45.
- Smith, A., and E. Hume. 2001. Ethics in accounting: Does culture matter? *American Society of Business and Behavioral Sciences Conference* (February).
- . 2005. Linking Culture and Ethics: A Comparison of Accountants' Ethical Belief Systems in the Individualism/Collectivism and Power Distance Contexts. *Journal of Business Ethics* 62: 209 - 220
- Smith, J. 2002. Culture's consequences: Something old and something new. *Human Relations* 55:119–135.

- Smith, P., S. Dugan, and F. Trompenaars. 1996. National culture and the values of organizational employees: A dimensional analysis across 43 countries. *Journal of Cross-Cultural Psychology* 27:231–64.
- Smith, P., and S. Schwartz. 1997. Values. In *Social behavior and applications*, Vol. 3 of *Handbook of cross-cultural psychology*, 2nd ed., ed. J. Berry, M. Segall, and C. Kagitcibasi, 77–118. Boston: Allyn and Bacon.
- Stajkovic, A., and F. Luthans. 1997. Business ethics across cultures: A social cognitive model. *Journal of World Business* 32:17–34.
- Steenkamp, J., F. Hofstede, and M. Wedel. 1999. A cross-national investigation into the individual and national cultural antecedents of consumer innovativeness. *Journal of Marketing* 63:55–69.
- Sutherland, E., and D. Cressey. 1997. *Principles of criminology*. 8th ed. Chicago: Lippincott.
- Sweeney, J. 1995. The moral expertise of auditors: An exploratory analysis. *Research on Accounting Ethics* 1:213–34.
- Teoh, H. Y., D. P. Serang, and C. C. Lim. 1999. Individualism-collectivism cultural differences affecting perceptions of unethical practices: Some evidence from Australian and Indonesian accounting students. *Teaching Business Ethics* 3:137–53.
- Thoma, S. 1986. Moral judgment, behavior, decision-making and attitudes. In *Moral development: Advancement in research and theory*, ed. J. Rest, 133–75. New York: Praeger.
- Trevino, L. 1986. Ethical decision-making in organizations: A person situation interactionist model. *Academy of Management Review* 11:601–17.
- Tsalikis, J., and D. Fritzsche. 1989. Business ethics: A literature review with a focus on marketing ethics. *Journal of Business Ethics* 8:695–743.
- Tsalikis, J., and M. LaTour. 1995. Bribery and extortion in international business: Ethical perceptions of Greeks compared to Americans. *Journal of Business Ethics* 14:249–64.
- Tsalikis, J., and O. Nwachukwu. 1990. Ethical beliefs' differences of males and females. *Journal of Business Ethics* 9:509–17.
- Tsalikis, J., and M. Ortíz-Buonafina. 1988. Cross-cultural business ethics: Ethical beliefs difference between blacks and whites. *Journal of Business Ethics* 7:745–54.

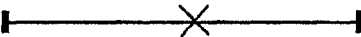
- Tsui, J. 1996. Auditors' ethical reasoning: Some audit conflict and cross-cultural evidence. *International Journal of Accounting* 31:121-33.
- Vitell, S., S. Nwachukwu, and J. Barnes. 1993. The effects of culture on ethical decision-making: An application of Hofstede's typology. *Journal of Business Ethics* 12:753-64.
- Vvunderink, M. and G. Hofstede. 1998. Femininity shock: American students in the Netherlands. In *Masculinity and femininity: The taboo dimension of national cultures*. Thousand Oaks: Sage.
- Wagley, C. 1968. *The Latin American tradition: Essays on the unity and the diversity of Latin American culture*. New York: Columbia University Press.
- Whipple, T., and D. Swords. 1992. Business ethics judgments: A cross-cultural comparison. *Journal of Business Ethics* 11:671-78.
- White, L., and M. Rhodeback. 1992. Ethical dilemmas in organization development: A cross-cultural analysis. *Journal of Business Ethics* 11:663-70.
- Williamson, D. 2002. Forward from a critique of Hofstede's model of national culture. *Human Relations* 55:1373-1385.
- Wilmoth, G., and S. McFarland. 1977. A comparison of four measures of moral reasoning. *Journal of Personality Assessment* 41:396-401.

APPENDIX A

QUESTIONNAIRE

Instructions

The questionnaire presents first some demographic questions followed by three situations labeled with the roman numerals I to III. The following instructions apply to each of the three situations. Each situation will be evaluated by four questions. The first question presents 21 choices to evaluate the stated action. You should choose only those choice(s) that best represent your belief about the action described. To do so, place a mark at that point of the appropriate line(s) that reflects the intensity of your answer, as shown in the following example:

Just  Unjust

The second question asks that you evaluate the action in an ethical sense. You should place a mark on the supplied line, following the previous example. Questions three and four ask that you express the probability that you or your colleagues would undertake the stated action. Once again, you should place a mark on the provided lines. **Please be sure that your answers reflect what you actually believe.** Following three situations and sets of questions, there are 20 items to describe yourself. Please follow the specific instructions presented there. Then, there are four questions about your ideal job. **Those questions have the same importance as the others. Please answer all of them. Remember, answers are anonymous, and there are no right or wrong responses. Thanks for your cooperation.**

Demographic Information

- 1- Gender Male Female
- 2- Your age _____ years
- 3- _____ years in university
- 4- I am studying in a private public university
- 5- Religion _____
- 6- Nationality:

<input type="checkbox"/> Costa Rica	<input type="checkbox"/> Chile	<input type="checkbox"/> Colombia	<input type="checkbox"/> Ecuador
<input type="checkbox"/> Dominican Republic	<input type="checkbox"/> Mexico	<input type="checkbox"/> Puerto Rico	<input type="checkbox"/> Peru
<input type="checkbox"/> Venezuela	<input type="checkbox"/> Uruguay	<input type="checkbox"/> United States	<input type="checkbox"/> Other
- 7- I belong to the following socioeconomic class:

<input type="checkbox"/> High	<input type="checkbox"/> Middle-High	<input type="checkbox"/> Middle	<input type="checkbox"/> Middle-Low	<input type="checkbox"/> Low
-------------------------------	--------------------------------------	---------------------------------	-------------------------------------	------------------------------
- 8- While I am studying, I work as _____ I don't work
- 9- Years in your employment less than one 1-5 6-10 more than ten

I- A manager realizes that the projected quarterly sales figures will not be met, and thus the manager will not receive a bonus. However, there is a customer order that, if shipped before the customer needs it, will ensure the quarterly bonus but will have no effect on the annual sales figures. Action: The manager ships the order this quarter to ensure earning the quarterly sales bonus.

1- The action described above is:

Fair	-----	Unfair
Unacceptable in my Country	-----	Acceptable in my Country
In Favor of the Best Interests of the Actor	-----	Against the Best Interests of the Actor
More People are Benefited than Harmed	-----	More People are Harmed than Benefited
There is a Duty Bound to Act in this Way	-----	There is no Duty Bound to Act in This Way
My Religion Allows to Act in this Way	-----	My Religion Forbids to Act in This Way
Prevents Harm to Others	-----	Allows Harm to Others
Unjust	-----	Just
In Agreement with my Religious Beliefs	-----	In Disagreement with my Religious Beliefs
Culturally Acceptable	-----	Culturally Unacceptable
Detrimental for the Actor	-----	Self-promoting for the Actor
Violates an Unwritten Contract	-----	Does Not Violate an Unwritten Contract
In Favor of the Holy	-----	Against the Holy
Morally Wrong	-----	Morally Right
Satisfactory for the Actor	-----	Unsatisfactory for the Actor
Shows Empathy for Others	-----	Shows Apathy for Others
On Balance, It is Good	-----	On Balance, It is Wrong
Traditionally Unacceptable	-----	Traditionally Acceptable
Shows Care for Key Relationships	-----	Shows Lack of Care for Key Relationships
Benefits Greater than Costs	-----	Costs Greater than Benefits
Violates an Unspoken Promise	-----	Does Not Violate an Unspoken Promise

2- You consider the action described above:

Ethical	-----	Unethical
---------	-------	-----------

3- The probability that I would undertake the same action in the same circumstances is:

0%	-----	100%
----	-------	------

4- The probability that my peers or colleagues would undertake the same action in the same circumstances is:

0%	-----	100%
----	-------	------

11- A firm has been hit hard by a recession, and the partners realize that they must scale back. An analysis of productivity suggests that the person most likely to be fired is a longtime employee with a history of absenteeism due to illness in the family. Action: Instead, the partner in charge lay off a younger, but very competent, recent hire.

1- The action described above is:

Fair		Unfair
Unacceptable in my Country		Acceptable in my Country
In Favor of the Best Interests of the Actor		Against the Best Interests of the Actor
More People are Benefited than Harmed		More People are Harmed than Benefited
There is a Duty Bound to Act in this Way		There is no Duty Bound to Act This Way
My Religion Allows to Act in this Way		My Religion Forbids to Act in This Way
Prevents Harm to Others		Allows Harm to Others
Unjust		Just
In Agreement with my Religious Beliefs		In Disagreement with my Religious Beliefs
Culturally Acceptable		Culturally Unacceptable
Detrimental for the Actor		Self-promoting for the Actor
Violates an Unwritten Contract		Does Not Violate an Unwritten Contract
In Favor of the Holy		Against the Holy
Morally Wrong		Morally Right
Satisfactory for the Actor		Unsatisfactory for the Actor
Shows Empathy for Others		Shows Apathy for Others
On Balance, It is Good		On Balance, It is Wrong
Traditionally Unacceptable		Traditionally Acceptable
Shows Care for Key Relationships		Shows Lack of Care for Key Relationships
Benefits Greater than Costs		Costs Greater than Benefits
Violates an Unspoken Promise		Does Not Violate an Unspoken Promise

2- You consider the action described above:

Ethical		Unethical
---------	--	-----------

3- The probability that I would undertake the same action in the same circumstances is:

0%		100%
----	--	------

4- The probability that my peers or colleagues would undertake the same action in the same circumstances is:

0%		100%
----	--	------

III- The owner of a local small business that is currently in financial difficulty approaches a longtime friend to borrow and copy a proprietary database software package that will be of great value in generating future business. The software package retails for \$500. Action: The friend loans the software package.

1- The action described above is:

Fair	-----	Unfair
Unacceptable in my Country	-----	Acceptable in my Country
In Favor of the Best Interests of the Actor	-----	Against the Best Interests of the Actor
More People are Benefited than Harmed	-----	More People are Harmed than Benefited
There is a Duty Bound to Act in this Way	-----	There is no Duty Bound to Act This Way
My Religion Allows to Act in this Way	-----	My Religion Forbids to Act in This Way
Prevents Harm to Others	-----	Allows Harm to Others
Unjust	-----	Just
In Agreement with my Religious Beliefs	-----	In Disagreement with my Religious Beliefs
Culturally Acceptable	-----	Culturally Unacceptable
Detrimental for the Actor	-----	Self-promoting for the Actor
Violates an Unwritten Contract	-----	Does Not Violate an Unwritten Contract
In Favor of the Holy	-----	Against the Holy
Morally Wrong	-----	Morally Right
Satisfactory for the Actor	-----	Unsatisfactory for the Actor
Shows Empathy for Others	-----	Shows Apathy for Others
On Balance, It is Good	-----	On Balance, It is Wrong
Traditionally Unacceptable	-----	Traditionally Acceptable
Shows Care for Key Relationships	-----	Shows Lack of Care for Key Relationships
Benefits Greater than Costs	-----	Costs Greater than Benefits
Violates an Unspoken Promise	-----	Does Not Violate an Unspoken Promise

2- You consider the action described above:

Ethical	-----	Unethical
---------	-------	-----------

3- The probability that I would undertake the same action in the same circumstances is:

0%	-----	100%
----	-------	------

4- The probability that my peers or colleagues would undertake the same action in the same circumstances is:

0%	-----	100%
----	-------	------

IV- Bem Sex Role Inventory (short version)

Below you will find a list of adjectives. Mark the number in the scale, from one to seven, that you believe better represent

how those adjectives describe yourself. Example: If you feel it is sometimes but infrequent true that you are friendly you will rate this item marking number 3 as follows: Please, do not leave any item unmarked.

	Never or almost never true	Usually not true	sometimes but infrequently	Occasionally true	Often true	Usually true	Always or almost always true
EXAMPLE: Friendly	1	2	3	4	5	6	7
Athletic	1	2	3	4	5	6	7
Affectionate	1	2	3	4	5	6	7
Strong Personality	1	2	3	4	5	6	7
Sensitive to the needs of others	1	2	3	4	5	6	7
Willing to take risks	1	2	3	4	5	6	7
Understanding	1	2	3	4	5	6	7
Compassionate	1	2	3	4	5	6	7
Dominant	1	2	3	4	5	6	7
Warm	1	2	3	4	5	6	7
Tender	1	2	3	4	5	6	7
Aggressive	1	2	3	4	5	6	7
Have leadership abilities	1	2	3	4	5	6	7
Individualistic	1	2	3	4	5	6	7
Love children	1	2	3	4	5	6	7
Eager to sooth hurt feelings	1	2	3	4	5	6	7
Forceful	1	2	3	4	5	6	7
Yielding	1	2	3	4	5	6	7
Selfish	1	2	3	4	5	6	7

V- Imagine the job you would like to get after graduation. In choosing an ideal job, mark the adequate cell that better represents how important would it be for you to:

	Of utmost importance	Very important	Of moderate importance	Of little importance	Of very little or no importance
1. Have security of employment					
2. Have an opportunity for high earnings					
3. Work with people who cooperate well with one another					
4. Have an opportunity for advancement to higher-level jobs					

APPENDIX B

COLLABORATORS BY COUNTRY

COLLABORATORS BY COUNTRY

Country	University	Main Collaborator	Other Collaborators
Colombia	EAFIT de Medellín	Darío Parra	Rodrigo Restrepo María Arango Rodrigo Londoño Gloria Stella Mesa Leonardo Sánchez
	Universidad de Externado Universidad Javeriana	Gustavo Yepes	
	Universidad Autónoma de Colombia	Aura López Salazar	Jose Barraza Hector Velasco Alejandro Torres Armando Bermudez Ricardo Tellez Enrique Caíta
	Universidad del Rosario	Bernardo Gaitán	
Mexico	Universidad Spenta Universidad de Monterrey Universidad Regiomontana Universidad Autonoma de Nuevo León	Carlos Gómez Díaz de León	David Escalante Romero Alfonso García Karla Saenz Veronica Hinojosa Jose Luis Abreu Jose Gerardo Cortes Ana Lilia Pacheco Alejandro María Santa Barbara Andres Galicia Tiujano
	Universidad Autonoma del Estado de Mexico Valle de Chalco	Nidia López Lira	
Uruguay	Universidad ORT Universidad de la Empresa Universidad Católica del Uruguay	Enrique Martínez Larrechea Jaime Damiani	Federico Heuer Lucía Alarcón
	Universidad de la República Oriental del Uruguay	Alberto García Ageitos Walter Rossi	Javier Brigna Pablo Duarte Marcelo Rosa Alejandro Cavalo
Chile	Universidad de Santiago de Chile Universidad Católica de Valparaíso	Gredys Molina Berta Silva Palavecinos	Carlos Paillacar Gladys Soto Villaroel Digna Azua Alvarez Fernando Olivares Paola Díaz Riffa Patricia Reballero Teresa Jara
	Paraguay	Universidad Nacional Mayor de San Marcos	Percy Vilches

Country	University	Main Collaborator	Other Collaborators
Venezuela	Universidad Católica del Tachirá	Carmen Julia Sánchez Lcda. Marisol Sánchez	Gustavo Zambrano Rosa Luque
	Universidad de los Andes	Ligia Rodríguez	Loyda Colmenares Gustavo Zambrano Rosa Virginia Luque
Ecuador	Universidad Técnica Particular de Loja (several campuses) Universidad de Ecuador	Juan Manuel García Ronny Correa	
Dominican Republic	UNAPEC	Aida Roca Germania Grullón	Altagracia Almonte Luis Santana Rafael Germosén Melvin Santana Pedro Julio Reyes Francisco Reyes Carlos Banks Teodora de los Santos Luis Cardena Moquete Margarit Lima Tapia Flor María Díaz
Costa Rica	Universidad de Costa Rica Universidad Estatal de Educación a Distancia	Edgar Chavez Zaida Araya Jose Manuel Castro Solano	Jorge Arturo Quiros Carlos Vargas Eduardo Roldán Gino Ramírez Manolo Córdova Alvaro Cruz
Puerto Rico	Universidad de Puerto Rico Universidad Metropolitana Universidad Interamericana Universidad del Este	Edwin Lebrón Benjamín Rosario Onelio Nuñez	Ramón Figueroa Aida Lozada Rafael Marrero Anibal Baez Ivonne Huertas Elsa Gutierrez José González Juan Lorenzo Martínez

APPENDIX C

VITA

VITA

Name: Silvia López Paláu
Mailing Address: 1118 Street #3 Villa Nevarez San Juan, Puerto Rico, 00927 - slopez@coqui.net
Education: Ph.D. -, International Business and Accounting, Texas Pan American, 2006
 M.B.A. – Accounting – *Magna Cum Laude*, Metropolitan University, 1991
 B.S. – General Science, University of Puerto Rico, 1987
Licenses: Certified Public Accountant, 1995
Work Experience: Accounting Instructor and Research Assistant – University of Puerto Rico and University of Texas Pan American

Publications

Tati's Sports Fashions – Bilingual (Spanish/English) Accounting Principles Practice Set. *Wiley Custom Services* 1996,1997,2003, Three Editions.
 Ethical Evaluations, Intentions and Orientation of Accountants: Evidence from a Cross-Cultural Examination – Executive Summary *El CPA of Puerto Rico Accounting Society*, June-July 2000 and *International Advances in Economic Research*, August 2001.
 Women in the Accounting Profession: A Closer Look to the Puerto Rican Case – *El CPA of Puerto Rico Accounting Society*, June- July 1999.
 Distribuidora de Perfumes Huelelé – Auditing Principles Practice Set. *Wiley Custom Services* 1997, First Edition.

Conference Presentations

Accounting Practices Harmonization Among American Countries, XV Interamerican Accounting Conference, Panamá, September 2003
 Ethical Evaluations, Intentions and Orientation of Accountants: Evidence from a Cross-Cultural Examination – International Atlantic Economic Conference, Munich, Germany, August 2001.
 Multidimensional Ethics Scale Usefulness to Explain and Predict Ethical Evaluations, Intentions and Orientation of Latin American Accountants – ABO Research Conference, Chicago, July 2000.

Research in Progress

Collaboration in studies conducted in different countries by Dr. Robert McGee from Barry University about Ethics and Tax Evasion.
 Preliminary steps in the replication of my doctoral dissertation in six countries not previously examined.

HONORS AND AWARDS

CHANCELLOR'S LIST, 2005; SECOND PRIZE NATIONAL ARTICLES PRESENTED AT XV INTERAMERICAN ACCOUNTING CONFERENCE, CCPAPR, 2003; KPMG SCHOLARSHIP, 2001-2002; ACADEMIC EXCELLENCE CENTER OF UNIVERSITY OF PUERTO RICO, 2001; ACCOUNTING MASTER GRADUATE WITH GREATER GPA, 1991.

SERVICE TO THE UNIVERSITY OF PUERTO RICO

Attendance as a Member of the Executive Committee of Latin American Association of Accounting Faculties and Schools (ALAFEC) at Executive Committee Meeting held at Oaxaca, Mexico - March 2005
 Attendance at III Congress of ALAFEC held in La Havana, Cuba - September 2005.
 Attendance at Executive Committee Meeting of ALAFEC held at Antigua, Guatemala - June 2005
 Reviewer of papers submitted to the Accounting Students Conference, Puerto Rico, 2002 and 2003
 Reviewer of papers submitted to the journal *Forum Empresarial*, Puerto Rico, 2003 -2005
 Secretary of the Accounting Department – 2001-2002