

THE INFLUENCE OF CULTURE AND TIME ON ANY RESEARCH REGARDING ETHICS

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Abstract: *The current study presents the most important theoretical frameworks in the field of ethical behavior involving employees and shows how the results of previous research are influenced by culture and time. At the same time, the risks that follow the universalization of the results are presented and a series of recommendations are made for researchers in the field, in order to obtain valuable results.*

Keywords: ethical behavior; culture; time; universalization.

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1. A REVIEW OF THE MOST IMPORTANT THEORETICAL MODELS IN ETHICAL DECISION-MAKING

The first steps in creating a model that analyzes ethical behavior were undertaken by Kohlberg (1969, in Ferrell, 1989), who has created a process of ethical justification and evaluation. He has identified 6 stages of development for an individual. Depending in which stage he is, the individual will react differently to the same ethical dilemma. These stages are as follows:

1. Punishment and Obedience: the individual is obedient to rules and the power of authority;
2. Individual Instrumental Purpose and Exchange: the individual is concerned in making fair deals;
3. Mutual Interpersonal Expectations, Relationships and Conformity: the individual is being concerned with others and shows that he is loyal;
4. Social System and Conscience Maintenance: The individual is doing ones duty;
5. Prior Rights, Social Contact or Utility: The respect towards the rights, values and legal contracts of society;
6. Universal Ethical Principles: All should follow a universal ethical principle;

This is the first theory that presents the development of ethical behavior from an evolutionary perspective. We also encounter the idea of universal values that will determine ethical behavior. The model is built as a ladder on which the individual matures gradually and in a cumulative way. Although the model was used over a large period of time, it also developed numerous critics, such as Gilligan (1982 in Rest, 1999) who considered the theory as being sexist, Shweder (1982) that considered the theory as culturally biased.

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The next theoretical model was created by Ferrell and Gresham (1985) in the form of a *multistage model of ethical decision-making*. They have identified a couple of ethical issues or dilemmas, such as: advertising deception, falsifying research data, price collusion, bribes and bid rigging, all influenced by social and cultural environment. They have also identified three factors that influence the individual decision making process: individual factors, organizational factors and environment related factors. Individual factors include knowledge, values, attitudes and intention. Individuals are also influenced by socialization, education and cultural background. Ferrell and Gresham also show the importance of the environment on the development of ethical behavior. The model suggests that the closer individuals are to each other, the more they will have similar ethical behaviors. The influence of managers and role-models is also taken into consideration and its impact is shown in the model. Opportunity to engage in unethical behavior also plays a vital role in the behavior of employees. The greater the reward and the less the punishment for such behavior, the more likely the individual will engage in unethical behavior. Policies and codes of ethics will promote an ethical organizational environment, if they are implemented and not just in a formal state.

The model introduces for the first time the idea that the behavior of employees can be influenced by the social and cultural environment, thus being impossible to universalize. Unfortunately the model does not offer a component analysis of ethical behavior to help with further empirical research. Another aspect of the model is the fragmentation of two factors, *opportunity* (that contains professional codes, corporate policy and reward/punishment) and *significant others* (that contains differential association and role-set configuration). In essence, as does Ferrell admit in 1989 (Ferrell et al. 1989), these two factors are strongly related to the organizational environment. Another problem that the model has is the evaluation of behavior into two possible outcomes: ethical and unethical. There is no gray area, the conclusion is you either are ethical or you are not.

Hunt and Vitell (1986) have considered a *general theory of ethical decision making*, starting from the importance of individual perception during the ethical dilemma, a perception that has two components: the individual deontological evaluation and the individual teleological evaluation. The model has a multitude of factors that must be analyzed in order to observe the ethical behavior of the employees: cultural environment, professional environment, industry environment, organizational environment and personal characteristics. For the first time a model tackles the issue of religion and the fact that highly religious people are more likely to be ethical. We also encounter the importance of a strong organizational culture, strong moral character and the importance of role models. The



study also points towards the importance of culture, focused especially on religion, legal systems and political systems.

The model was empirically tested on 200 US sales and marketing managers in 1989. The results showed that managers did tend to depend both on deontological and teleological factors and that it would be better to reward ethical behavior than to punish unethical behavior. They have also found that female marketers are more inclined to ethical behavior. In conclusion *the study found the model to fit the data like a glove*. Did the model fit the data like a glove because it was constructed by marketing experts in the US and tested on marketing managers in the US? Fortunately the answer to that question is no, because the model has been tested in a large number of empirical studies and has generated valid results. By valid results it should not be understood that the results were identical to Hunt and Vitell, but that the theoretical framework was useful. An example is the research undertaken by Menguc (1998). He used a sample of 450 Turkish sales managers and found out that they rely primarily on deontological evaluations to determine the correct ethical response, not on a balance of teleological and deontological evaluation, as the results of Hunt and Vitell have shown. These results support the premises of the current research that results of empirical studies in ethical decision-making should not be universalized.

Hunt and Vitell have reviewed their model in 2006 and created probably the most used model of analysis for ethical behavior, which has served as a theoretical support in numerous empirical studies. To conclude and bring together the main facts of this chapter I have constructed in Figure 1 a comparison between the two great models of Ferrell and Grasham and Hunt and Vitell.



Figure 1 - A comparison of the model proposed by Ferrell and Gresham and Hunt and Vitell

| | Ferrell and Gresham model | Hunt and Vitell model |
|-------------------------|--|--|
| Micro/Macro Orientation | Macro perspective of the decision process | Micro aspects of the individual's cognitive decision process |
| Factors | Individual factors <ul style="list-style-type: none"> - Knowledge - Value - Attitudes - Intentions - Socialization - Education - Cultural background | Individual factors <ul style="list-style-type: none"> - Religion - Value system - Belief system - Strength of moral character - Cognitive moral development - Ethical sensitivity |
| | Opportunity <ul style="list-style-type: none"> - Professional codes - Corporate policy - Reward/punishment | Professional environment, Industry environment and Organizational environment <ul style="list-style-type: none"> - Informal norm - Formal codes - Code enforcement |
| | Significant others <ul style="list-style-type: none"> - Differential association - Role-set configuration | |
| | Social and cultural environment <ul style="list-style-type: none"> - Religion | Cultural environment <ul style="list-style-type: none"> - Religion - Legal system - Political system |

In the 70s John Rest has introduced the DIT (Defining Issues Test), an interpretation of Kohlbergs interview in the form of a questionnaire. The DIT presents a series of ethical dilemmas, each one containing 12 statements that have to be evaluated and rated on a 5 point Likert scale. The DIT generates a P-score, a value for *the relative importance a subject gives to the principled moral considerations in making a decision about moral dilemmas* (Rest, 1979). Even if the DIT has been successfully used in thousands of studies, generating valid results, there has been criticism about the so called American bias. The American bias is determined by the fact that P-scores from researches done in the United States seem to be higher than the P-scores around the world. The difference in results might be a cause of the differences between cultures.

2. THE INFLUENCE OF CULTURE

John Locke (1963, in Ruegger & King, 1992), by addressing the question *Why must a man keep his word?*, to which he answers from the perspective of a Christian, a hobbyist and an old philosopher, formulates the theory of *depends on who you ask*. Similar to the respondents of Lock, the subjects of ethical studies in the field of business ethics belong to different cultures, which is why they will give different answers to the same questions. The usage of a model without investigating the cultural background of the population will result in an inconsistency of the results, without real practical value.

Culture has been taken into consideration as a factor that influences the ethical behavior of individuals and shapes their moral sensitivity. This fact is relevant for any study that has ever used culture as a factor of influence in determining the ethical behavior. Culture can be examined for example by addressing variables such as religion, legal system or political environment, as is the case of the Hunt-Vitell model. These variables were built to determine the ethical behavior of managers in the field of marketing in the United States. If we would test marketing managers in another country, the variables of the cultural factor might be different depending on the cultural specificity of the population. Values, customs, national identity or loyalty might replace or be added to the existent variables of the Hunt-Vitell model.

Vitell et al (1993) have used Hofstede's Typology in a theoretical attempt to answer the question *how culture influences ethics and ethical decision making*. Hofstede argues that societies differ in four major cultural dimensions: power distance, individualism, masculinity and uncertainty avoidance (Hofstede, 1984).

According to Hofstede (1984) the power distance is the extent to which the less powerful individuals in a society accept inequality in power and consider it as normal. Individualist cultures are the ones where individuals are primarily concerned with their own interests and the interests of their immediate family. Collectivist cultures, in opposition, consider that individuals belong to one or more in-groups, such as an organization. This attitude promotes loyalty between the in-group and its members. Masculinity is the extent to which individuals expect men to be assertive, ambitious, competitive, to desire material success. Masculine cultures expect women to serve and to care for the house, children and for the weak. Feminine cultures promote equality in the roles of both sexes, and do not promote ambitious behavior. Uncertainty avoidance is defined as the extent to which individuals within a culture are made nervous by situations that are unclear and unpredictable, and



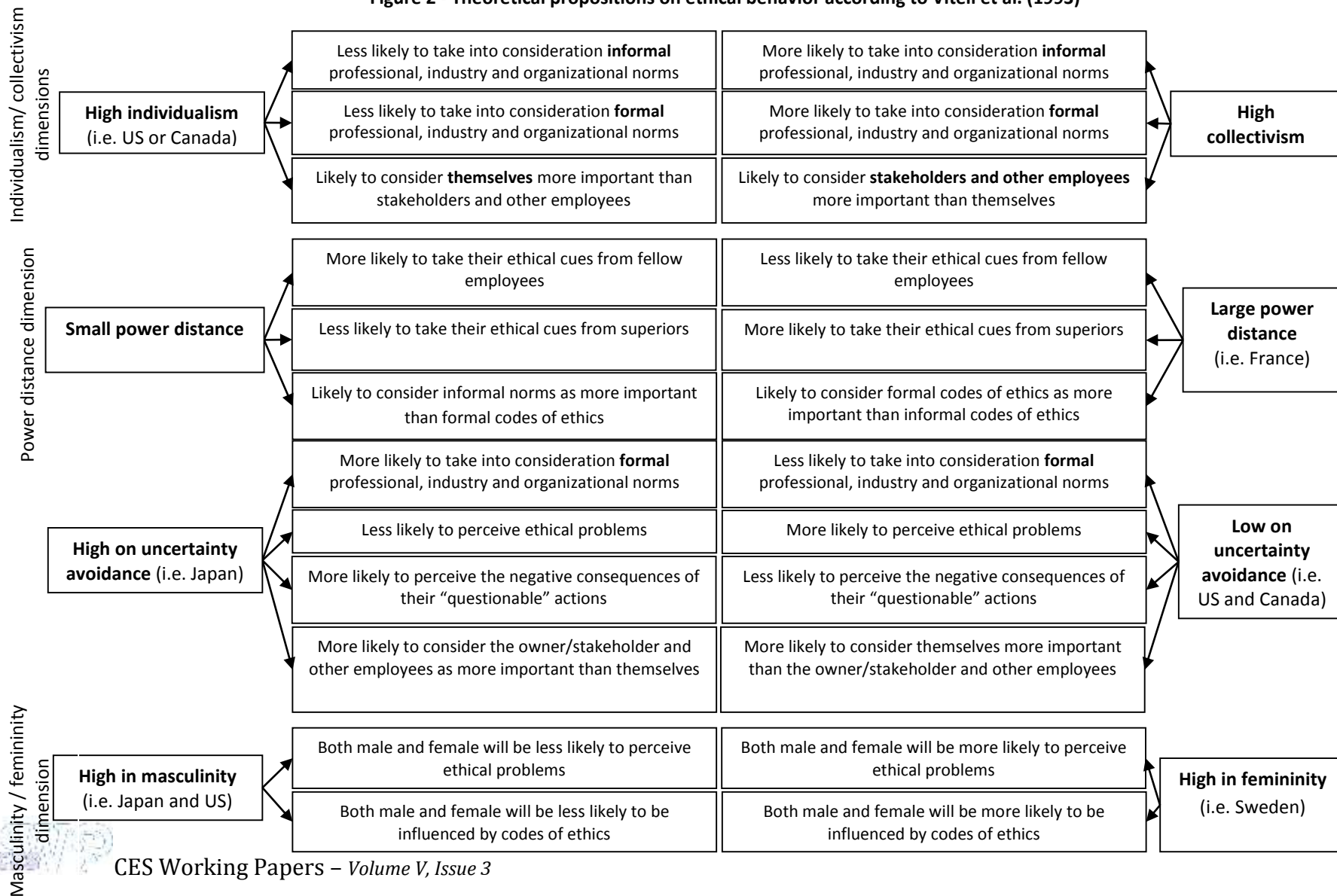
the extent to which these individuals attempt to avoid such situations by adopting strict rules of behavior. Cultures with strong uncertainty avoidance are active, aggressive, emotional and intolerant.

On this basis, Vitell et al. (1993) created a couple of theoretical propositions that can be observed in Figure 3. The authors encourage further empirical research in testing the theoretical propositions and combining the result in obtaining a better image of the phenomenon.

The research of Hofstade (1984) and Vitell et al (1993) shows once more how different cultures are and how careful researchers must be in selecting the right variables in analyzing the influences on the ethical behavior of employees. A researcher must first identify which dimension fits the culture and then test the propositions in the form of hypothesis.



Figure 2 - Theoretical propositions on ethical behavior according to Vitell et al. (1993)



3. THE INFLUENCE OF TIME

Rugger and King (1992) have stated that *ethical beliefs change as the nation's view of morality changes*. Therefore the same research in the field of ethics may generate different results in the same national and cultural environment at different moments in time. The results of studies concerning the ethical behavior of employees are influenced by certain events that take place in that period of time leading to the investigation. Therefore, researchers that wish to use previous research in their own studies must know not only the cultural characteristics of the population, but also the historical events of the time period in which the study was conceived. Studies undertaken in periods of conflict or economic crisis will have results inclined towards an unethical behavior, a tendency towards the accumulation of material goods, without the barriers settled by ethics.

In conclusion the results of an investigation in the field of ethical behavior reflect only a picture of reality, which is specific to a certain culture, at a given moment in time. This posed reality is most of the time valid for a period of years or until a major social or economic event takes place and changes the ethical orientation of employees. The change can take place rapid, produced in general by violent events, such as war or the occupation of territories, or can take place gradually, being influenced by the evolution of society.

If studies regarding the ethical behavior were made on a regular basis, we would be able to determine the ethical evolution of a certain population in time. By analyzing the historical changes during that period in time, we would be able to identify important variables that have shaped the ethical behavior. Such variables could be political changes, legal developments and very important historical events, such as war or massive deportations.

4. THE DANGER OF UNIVERSALISATION

The entire study and the ideas proposed lead to the fact that in the study of ethical behavior, the researcher must not begin from premises or axioms, but instead he must construct hypothesis and test them. The usage of previous research has a role in the shaping of hypothesis, but their result must never be generalized.

The danger of this universalization in results is the vitiation of your own research, by using result obtained in a different culture and in a different period of time. The process of universalization is therefore similar to the process of globalization, a phenomenon which in the field of social behavior

can only be harmful. People so different regarding culture and history cannot be similar in shaping their ethical behavior.

This fact does not lead to the rejection of great theoretical models, as is the case of the one promoted by Hunt and Vitell. The authors themselves have stated that *the acceptance of any theory is based on its support over time through empirical testing, not how it was initially formulated* (Hunt and Vitell, 2006). The model of Hunt and Vitell has definitely lasted the test of time and has been used in a large number of empirical researches. The most important thing is to understand that a model is just a theoretical framework and should be adjusted to the culture and time period of the researcher. The best method of adjustment is the usage of variables based on the factors proposed by the theoretical model that are specific to ones culture and time.

The results of the researches undertaken in the field of ethical behavior are rarely comparable do to the fact that there are a number of differences in the cultural and historical environment. This is why a universal theory of the ethical behavior of employees is impossible to formulate.

CONCLUSIONS

Empirical research in the field of ethics should always be based on the testing of hypothesizes. Using theoretical models or propositions, as the ones reviewed in the current study, will grant researchers a theoretical framework on which they can test their hypotheses.

When using theoretical models that analyze ethical behavior it is important to understand the difference between the factors of the model, which are universally valid and the variables of the model, which may change over time and from one culture to another. In the case of Hunt and Vitell (1986) the main categories of factors are: Cultural environment, Professional environment, Industrial environment, Organizational environment and Personal characteristics. They can be applied successfully by any researcher in a study of ethical behavior. The demarcation of ethical studies is in the usage of variables, as is the case of religion, a variable of the cultural environment, which can have deep implications in an Arabic country and close to no implications in a country like France for example. Authors must construct their own variables, according to their own culture and time and create their own hypothesizes to test.

In conclusion, the existing models for analyzing the ethical behavior of employees can be used by any researcher, as long as he understands that the variables that influence this behavior are not universal. This information is very useful for researchers which use the results of previous studies as



a starting point or as a measure of comparison in their own research. They must study the moment in time and the cultural environment in which past research has been done and decide if they resemble his own time and culture. Only by doing so, they will be able to determine if they can use past research as a starting or comparison point in order to reflect the best image of the real economic environment.

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