

Chapter 4

Assessing the Correlation of Culture With Business Ethics of Company Managers in the United States and Mexico

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ABSTRACT

Observable harm has been inflicted upon business by unethical decisions and misconduct. Much of this phenomenon can be traced to impoverished ethical attitudes. Among the various reasons for this problem is that of a manager's culture, which has a distinct influence on attitudes and behaviors. The purpose of this chapter was to determine, through empirical data, whether differences rooted in culture significantly contribute to differences in ethical attitudes. Management scholar Geert Hofstede's classification of cultural elements for understanding and explaining aspects of national culture was correlated with the ethical attitudes of business managers in the two national cultures of the United States and Mexico. Results indicated a significant positive relationship between national culture and ethical attitudes and the cultural dimensions of uncertainty avoidance, masculinity, and long-term orientation. A significant difference in ethical attitudes between managers from the United States and Mexico was also found.

INTRODUCTION

The globalization of commerce has an impact on an ever-widening circle of customers, suppliers, and employers, as well as other stakeholders in society. As the impact grows, so too, do the effects of individual choices made by managers and workers as their work affects larger numbers of people; actions have consequences.

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Particularly important is the ethical component of decisions, where choices often have the potential of creating problems for large numbers of people. Some of these problems have grown to organization-threatening scales in recent years and continue to grow (Andreoli & Lefkowitz, 2009; Everhart, Martinez-Vazquez, & McNab, 2009; Rakas, 2011; Whitaker & Godwin, 2013). An international survey of 211 scholars in the field of business ethics found the decline of ethical behavior in society and organizations to be among the top issues facing the field of business in the future (Holland & Albrecht, 2013).

The present research was conducted to broaden the scholarship on the roots causes of unethical behavior and decisions by managers, and to bridge the gap between cultural influence and individual decisions, inductions, actions and inactions in management. In a global economy, with growing interactions among workers across the globe, managers ought to have a good understanding of cross-cultural issues. Managers need to know employees, as they can be influenced to engage in ethical behaviors (Doh, Husted, Matten & Santoro, 2010) and abstain from behavior that is unethical.

Considering the current climate of globalization, intercultural knowledge is a needed by managers in order to improve international trade through better understanding (Doh, Husted, Matten & Santoro, 2010; Franke & Nadler, 2008; Su, 2006). This knowledge would help to enhance corporate legitimacy, profitability, and competitive advantage in a multicultural marketplace, including North America (Ahmad & Ramayah, 2012; Zheng, Luo, & Wang, 2014). Benefits of such specialized knowledge include: improved collective organizational commitment and citizenship behaviors (Chun et al., 2013), improved legitimacy and financial performance (Harris 2007), positive linkage between a company's social responsibility and business performance (Buciuniene & Kazlauskaitė, 2012), competitive advantage in international business (Takei, 2011), and corporate strategies that include moral values that are more successful in global business (Wieland, 2010).

Individual managers' decisions, indecisions, actions, and inactions have led to the diminution of wealth, deprivation of jobs, and ruination of businesses while simultaneously creating a distrust of business and its leaders (Beekun & Westerman, 2012; Rakas, 2011). Multiple influences shape attitudes and attitudes determine decisions (Holland & Albrecht, 2013). An example of such influences is culture (Doh, Husted, Matten, & Santoro, 2010; Holland & Albrecht, 2013; Lian, Ferris, & Brown, 2011; Nielsen, 2010; Peterson & Søndergaard, 2011). Although it must be acknowledged that ethics and morality are culturally constructed and differentially defined in Confucius Heritage societies such as Japan, China, Korea, Taiwan, (Chung, Eichenseher, & Taniguchi, 2008; Shafer, Fukukawa, & Lee, 2007) and Western societies, including the United States, Germany, and other Western countries. Nevertheless, rather than the birthplace of where a manager was reared, impact and

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