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**Diffusion of attitudes about questionable
practices and form of moral reasoning:
A social cognitive approach to global
business ethics**

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**DIFFUSION OF ATTITUDES ABOUT QUESTIONABLE PRACTICES AND FORM OF
MORAL REASONING: A SOCIAL COGNITIVE APPROACH TO GLOBAL BUSINESS
ETHICS**

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ABSTRACT

The study explores the diffusion of attitudes about questionable business practices and form of moral reasoning across Mexican, Spanish, and U.S. MBAs. Results show substantial agreement across cultures on 12 personally most objectionable practices, while form of moral reasoning varied significantly across cultures. Social cognitive theory is used to address the theoretical and practical implications.

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INTRODUCTION

Scholars of ethics are beginning to observe the development of a relatively new phenomenon--the emergence of a trans-societal or global moral order (Buhler, Kohls, and Anderson, 1991; Dobson, 1990; Wuthnow, 1987). This phenomenon appears to be especially marked in the business world. Business is becoming an important agent for social change as scholars observe the emergence of a new paradigm in business and new values which emphasize the complex interrelationship between business and its environment (Ray, 1991). However, the scope and reach of these changes are not well understood. Neither do we understand the processes which may be leading to the development of global business ethics. It is important, therefore, to undertake research into the nature of these changes.

In contrast to the U.S. cultural diversity movement which encourages managers to be conscious of and respect a diversity of values, recent studies in business ethics have discovered that managers from different parts of the world share remarkably similar attitudes. For example, there is little difference in the attitudes of Australian and South African managers with respect to a list of questionable business practices (Abratt, Nel, and Higgs, 1992). Similarly, little difference has been found in the attitudes of U.S. and Nigerian business students about bribery and extortion (Tsalikis and Nwachukwu, 1991), in the ethical beliefs of black and white students in the United States (Tsalikis and Nwachukwu, 1988), or in the reactions of business students from the United States, Denmark, and New Zealand to ethical dilemmas dealing with coercion, conflict of interest, physical environment, paternalism, and

personal integrity (Lysonski and Gaidis, 1991). Unfortunately, much of this work is largely atheoretical and offers little understanding behind why there exists such a similarity of beliefs with respect to questionable business practices in various parts of the world.

One possible explanation of this emerging global ethic comes from convergency theory. Earlier accounts of this theory were not particularly satisfactory. It posited that as the world became increasingly industrialized, the demands of professional management would cause managerial styles and values in different countries to become more alike over time. As Kerr, Dunlop, Harbison, and Meyers (1964, p. 164) state:

Cultural factors, and particularly family, class, and race, also have an early impact, but eventually the universal imperative--the need for competent, professionalized management--prevails. While both the stage and pace of industrialization affect the position and policies of enterprise management, the similarities of enterprise management in all advanced industrializing societies are far greater than their differences.

The strong case for convergence made by Kerr, et al has largely been eroded as a wide variety of management styles have been found to be compatible with industrialization (Porter, 1990). Hofstede (1984: 233-234) has offered a more tenable position:

A more sober statement about the process of cultural change is therefore that technological modernization is an important force toward change which leads to partly similar developments in different societies. However, it does not wipe out differences among societies and may even enlarge them; as on the basis of preexisting value systems societies cope with technological modernization in different ways.

With respect to the work-related values that Hofstede examined, he found no evidence of convergency. Still, one finds traces of this theory in recent work, such as that of

Dobson (1990: 481) who writes: "[D]uring the next decade, the integration of historically differentiable corporate cultures will continue apace."

Another possible explanation of similarity in attitudes toward questionable business practices comes from social cognitive theory in psychology. Social cognitive theory developed as a reaction to operant conditioning which saw human behavior emerging from the reinforcement or punishment given to the consequences of behavior. As Albert Bandura (1986: xi) explains:

Social cognitive theory embraces an interactional model of causation in which environmental events, personal factors, and behavior all operate as interacting determinants of each other. Reciprocal causation provides people with opportunities to exercise some control over their destinies as well as set limits of self-direction....[I]n keeping with the interactional perspective, much attention is devoted to the social origins of thought.

It is this interest in the social origins of thought which has allowed social cognitive theory to examine such sociological phenomenon as cultural change by looking at processes of sociocultural diffusion based on the modeling of behaviors and attitudes.

Social cognitive theory also makes specific claims about the diffusion of moral judgment. Unlike the theory of Kohlberg (about which more will be said later) which posits a sequential development of stages of moral reasoning, social cognitive theory sees social forces playing an important role in the development of moral reasoning and attitudes. Parents, other adults, and television all provide important sources of modeling which influences the development of moral judgment in children. In their discussion of the globalization of ethics, Buller, Kohls, and Anderson (1991) note that "[l]ikely carriers of ethics are foreign visitors, immigrants, employees of multinational corporations, the media, international non-profit organizations (e.g., churches, environmental groups, etc.), and global institutions like the United Nations and the World Courts." According to social cognitive theory, each of these groups would provide models for the development of new values, attitudes, and forms of

moral reasoning. Perhaps an even more important source of modeling is modern television. As Bandura (1986: 20) indicates:

Most psychological theories were cast long before the advent of enormous advances in the technology of communication. As a result, they give insufficient attention to the increasingly powerful role that the symbolic environment plays in present-day human lives. Indeed, in many aspects of living, televised vicarious influence has dethroned the primacy of direct experience. Whether it be thought patterns, values, attitudes, or styles of behavior, life increasingly models the media.

Yet one would not expect all aspects of moral judgment to be modeled equally well through communications media. Two components of ethical judgment which might be profitably examined in this regard are moral reasoning and attitudes toward questionable practices. First, we argue that attitudes toward questionable practices are relatively easy to model through various media of communication such as television and books. Business education in many countries often relies on U.S. textbooks. U.S. news media and business press are widely distributed. Moreover, the local news media cover many of the same issues as do their U.S. counterparts. Following the logic of social cognitive theory, we would expect that people from different cultural backgrounds would share similar attitudes toward questionable business practices if they were exposed to substantially similar modeling of attitudes through the media and other sources. Thus, we propose:

Proposition 1: Attitudes toward questionable business practices are similar in areas of the world which are exposed to modern communication media and business education.

On the other hand, moral reasoning is more difficult to model than attitudes toward questionable business practices because the development of cognitive learning skills requires "performance feedback" which is unavailable through communication media (Bandura, 1986: 483). The development of reasoning abilities ordinarily takes

place through contact with other people such as parents, teachers, and peers. The interaction required for the development of reasoning skills cannot be transmitted as of yet via the mass media. Therefore, one would not expect that the form of moral reasoning would necessarily be similar.

Yet what do we mean by the form of moral reasoning? The theory of moral development proposed by Lawrence Kohlberg (1969, 1971) has been widely used in research examining the reasons individuals use in making moral judgments. Kohlberg proposed (and much research has upheld) that as people mature and acquire more education and experience, their moral reasoning develops according to a well-defined sequence of stages. Each successive stage requires more complex thinking and involves the individual's consideration of an increasingly wide range of persons and institutions. Kohlberg divides moral development into three major categories and six stages: pre-conventional (stages 1 and 2), conventional (stages 3 and 4), and post-conventional or "principled" (stages 5 and 6) reasoning. The brief description of the stages below does not reflect the richness and complexity of Kohlberg's work.

The pre-conventional stages focus on the self. In stage 1, the person acts in a moral way as a form of obedience to externally imposed rules in order to avoid punishment (Conry and Nelson, 1989). In stage 2, the person acts morally because it is in her or his self-interest to act in such a way (Conry and Nelson, 1989). In each case, the person obeys authorities to avoid personal harm and gain rewards.

The conventional stages focus on the in-group. For persons at stage 3, "morality is viewed in terms of creating and nurturing long-term relationships of mutual support. Parties form alliances based on friendships and other personal relationships. Implicit in these relationships is that one understands the other's goals and is obligated, because of the relationship, to support them" (Conry and Nelson, 1989). Morality at stage 4 consists of upholding law and order. At this stage, the person realizes that "deviations from the legal order threaten the whole system and

raise the prospect of actual social chaos" (Conry and Nelson, 1989). Here, the in-group expands to include one's larger community.

The post-conventional stages focus on society or humanity in general. At stage 5, "morality is seen in terms of processes for rules, laws, or systems of laws that win the allegiance of everyone by giving each person a stake in the system...Its assumption is that people can agree about laws if the process reflects the general will and provides certain minimal safeguards for everyone" (Conry and Nelson, 1989). Stage 5 is further subdivided in the work of James Rest. In stage 5a, "moral obligation derives from voluntary commitments of society's members to cooperate," while in stage 5b, "procedures exist for selecting laws that maximize welfare as discerned in the majority will" (Rest, 1973: 32). Stage 6, the highest stage in Kohlberg's hierarchy, "is based on commitment to rational, abstract, self-selected universal principles for governing social cooperation. These principles are derived by trying to imagine what impartial, rational, equal persons would identify as the appropriate standards under which social life should proceed" (Conry and Nelson, 1989).

Kohlberg's theory has generated considerable controversy as some values such as collective solidarity and a woman's focus on caring for others are not tapped by his approach (Snarey, 1985: 226; Gilligan, 1982). In fact, Bandura (1986) criticizes Kohlberg for postulating an inflexible sequence of stages and for arguing that higher stages are necessarily superior to lower stages. Despite such controversy, considerable evidence has been found to support his theory (Snarey, 1985). In this paper, we avoid the debate surrounding Kohlberg by taking his stages as evidence of different, though not necessarily morally superior forms of moral reasoning. Although his theory may be incomplete, instruments designed to measure Kohlberg's stages will, if nothing else, demonstrate that different forms of moral reasoning do occur.

In light of Bandura's comments that the development of reasoning relies heavily on feedback, one would not expect moral reasoning among people from different cultural backgrounds exposed to similar communication media to be similar. Rather, one should find significant differences with respect to Kohlberg's stages due to cultural differences despite exposure to similar influences.

Proposition 2: Form of moral reasoning will differ in different areas of the world despite exposure to substantially similar communication media and business education.

In sum, the research reported here explores the similarities and differences among persons in three different cultures with respect to their attitudes about questionable business practices and the kinds of moral reasons they find persuasive.

METHOD

Respondents

Data were collected between 1990 and 1992 from 410 MBA students in Mexico, Spain, and the United States. The 153 U.S. students were enrolled in a Master's of Business Administration (MBA) degree program at the University of Houston. The 101 Mexican students were enrolled in the Maestria en Administracion (MA) at the Instituto Tecnologico y de Estudios Superiores de Monterrey (ITESM) in Monterrey, Mexico. The 156 Spanish students were enrolled at the Madrid School of Business in an MBA program affiliated with the University of Houston.

Although these students are enrolled in three different degree programs, the Spanish MBA program is very similar to the U.S. MBA. The Mexican MA is similar to the typical MBA degree in that it is an advanced professional degree in business administration. The MA at ITESM takes the equivalent of one year of full-time study

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to complete, whereas the typical U.S. MBA takes the equivalent of two years of full-time study. For brevity, all respondents will be called MBAs in the following discussion.

An advantage of the respondent population is that most of the Mexican and U.S. students are either currently employed or had considerable work experience. Consequently, these students are well-socialized into their respective business worlds. The Spanish students are younger and less experienced than their Mexican and U.S. counterparts, but interestingly about 25% have law degrees at the undergraduate level. As a result, the data from this group must be interpreted cautiously.

The U.S. students completed the questionnaire on their own time for extra class credit. The Mexican and the Spanish students either completed the questionnaires during regular class time or on their own time. Usable data for the questionable practices surveys were obtained from 153 U.S. MBAs, 101 Mexican MBAs, and 156 Spanish MBAs. Usable data for the social desirability scores were obtained from 155 U.S. MBAs, 101 Mexican MBAs, and 156 Spanish MBAs.

Instruments

The original English questionnaire was translated into Spanish and then was back-translated into English and the inconsistencies in the two versions were resolved by the researchers. The Madrid Business School MBA program is taught completely in English. Consequently, the Spaniards were considered to be fluent in English and they responded to the English version of the survey. The survey instruments relevant for this paper were the Inventory of Questionable Practices (IQP) and the Defining Issues Test (DIT) (Rest, 1987).

Questionable business practices. The IQP is a list of 49 questionable business practices which are sometimes committed by employees or by organizations. This questionnaire is a modification of one prepared by the Josephson Institute (Josephson, 1989). The practices fall into six major categories: employee behaviors affecting the organization (e.g., poor work ethic, not giving a fair day's work for a fair day's pay), organizational or managerial practices affecting employees (e.g., unsafe or unhealthy working conditions), employee behavior affecting other employees (e.g., breaking organizational rules to help a co-worker), organizational practices affecting customers (e.g., deceptive marketing or advertising), organizational practices affecting shareholders (e.g., excessive compensation of top management), and organizational practices affecting the general public and community (e.g., payoffs or bribes to union officers or public officials). The respondents are asked to select the five practices most objectionable to them personally.

Moral reasoning. Rest's (1987, 1990) Defining Issues Test (DIT) presents the respondents with three to six scenarios, each representing an ethical dilemma. The respondents decide what action they would take in each situation. The DIT presents the respondents with 12 statements of possible considerations which might be important in the individual's coming to a decision about the morally correct response to the dilemma. Each statement represents a particular stage of moral reasoning. The respondents also select the four most important factors in reaching their decision from the twelve statements.

In the present study, Mexican colleagues indicated that the three most culturally appropriate stories were Heinz and the Drug, Escaped Prisoner, and Doctor's Dilemma. Since some of the Spanish and U.S. MBAs responded to a different three-story DIT (using Newspaper rather than Doctor's Dilemma), the resulting sample size for the DIT was reduced to: 89 U.S. MBAs, 70 Mexican MBAs,

and 61 Spanish MBAs. Rest indicates that a shorter version of the DIT can be used by selecting fewer scenarios (Rest, 1987, Sec. 1, p. 21).

The DIT generates stage scores for each respondent showing the frequency with which the respondent chose statements reflective of each level of moral reasoning. The DIT also generates an "antiestablishment" or A-score. According to Rest (1990), the antiestablishment items fault authorities for being hypocritical. An "M-score" represents the respondent's preference for "pretentious and lofty sounding," but meaningless statements. Rest uses the M-score as an internal reliability check, and recommends deleting respondents with M-scores of 4 or more. We have done so and have included the (reduced range) M-score in the discriminant analysis as a variable. It is plausible that persons from certain cultures are interested in appearing more intellectual or sophisticated than they really are.

Finally, while researchers typically use the DIT to generate a "P-score" (the proportion of post-conventional (principled) moral reasoning used versus pre-conventional and conventional reasoning used, in this study, discriminant analysis was used to allow us to compare the contribution of each stage of moral reasoning used by each nationality. This gives a more detailed picture than would the P-score alone.

The DIT has been used extensively by researchers (see Rest's bibliography in his 1990 manual for a listing). The short form of the DIT has been shown to have a test-retest reliability for the p-score of .58 to .77 (Rest, 1987, p. 19). The Cronbach's alpha of internal consistency is usually in the high .70s for both the long and the short form (Rest, 1987, p. 19).

RESULTS

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RESULTS

Personally most objectionable practices

The list of practices selected as the five most personally objectionable was similar for respondents from all three countries. Table 1 shows the ten most frequently cited practices for each nationality.

Insert Table 1 about here

Only twelve practices appear on the combined lists. Of these twelve, seven are present on the lists of all three groups of MBAs. These are: unsafe working conditions, unsafe products, pollution and waste, sexual harassment, race discrimination, sex discrimination and favoritism.

To test for differences in the frequency of selection of the 49 objectionable business practices, a multivariate analysis of variance (MANOVA) was performed. The objectionable practices were the dependent variables, and the independent variable was culture, which had three levels: US, Mexico, and Spain. The assumptions of MANOVA, homoskedasticity and multivariate normality, may be relaxed with such a large sample ($n=410$) due to the law of large numbers and the central limit theorem (Johnson and Wichern, 1988, pp. 144-145).

The MANOVA test statistic, Roy's F approximation to Wilk's lambda, was significant ($F=2.2251$, $p < 0.0001$), suggesting that the frequency of selection of objectionable practices was different for at least one business practice. To explore which set(s) of practices contained differences across cultures and to further control the experimentwise error rate, six separate MANOVA's were performed. In these MANOVA's, the dependent variables were the practices for each set of objectionable business practices: employee behaviors affecting the organization, organizational or managerial practices affecting employees, employee behavior affecting other

employees, organizational practices affecting customers, organizational practices affecting shareholders, and organizational practices affecting the general public and community. Each of these MANOVA's was significant at the 5% level, except for the test involving organizational practices affecting customers, suggesting that cultural beliefs were different for at least one objectionable business practice within each set. For the five sets that were significant, univariate ANOVA's were performed for each objectionable practice within the sets. Differences between cultures were suggested where these ANOVA's were significant (at the 5% level), so Tukey's HSD method was performed to determine which specific cultures differed. The results for the top 10 most objectionable practices appear in Table 1.

Table 1 shows that seven of the twelve practices were chosen in similar proportions by each nationality and five practices were chosen in significantly different proportions by the three MBA groups: pollution or waste, sexual harassment, race discrimination, deceptive advertising, and falsifying expense accounts.

Moral reasoning

To explore whether there were differences among the three nationalities in their moral reasoning, a direct discriminant function analysis was performed on the overall model using stages 2, 3, 4, 5a, 5b, 6 and the A-score and the M-score as predictors. Tests indicated that the assumptions of discriminant analysis were not violated, nor did any of the cases have to be dropped due to missing data or multivariate outliers.

Since there were three groups, two discriminant functions were identified. The eigenvalues and relative percentages indicate that the first function is the most powerful (eigenvalue = .5466, proportion = .8117). The multivariate test (Wilks'

lambda value = .57382960, $F = 8.4028$, $df = 16$, $p < .0001$) indicated that the first function is significant. The significance of the overall model or discriminant function suggests that the results come from a population which has differences between the groups (Klecka, 1980). In addition, canonical discriminant function analysis revealed a significant canonical correlation for the first function (.594496, $F = 8.4028$, $p < .0001$) which indicates that a strong relationship exists between the groups and the discriminant function (Klecka, 1980).

The canonical structure of the discriminant function and results from univariate tests on each of the predictors provide information regarding the contribution and significance of the predictors in discriminating among the three groups. The canonical total structure coefficients (product moment correlations) which show how closely a variable and a function are related (Klecka, 1980), indicate that stage 3 (.978793) is the dominant characteristic in the function, while stage 5a (-.941368) is the second strongest predictor. Examination of the group means and the univariate test statistics for the predictors given in Table 2 show that the three groups did not differ in use of stage 2 reasoning, stage 6 reasoning, or antiestablishment reasoning. But Mexican and Spanish MBAs used stage 3 and stage 4 reasoning more than the U.S. MBAs did, and the U.S. MBAs used stage 5a reasoning more than the Mexican and Spanish MBAs. Mexican MBAs used stage 5b reasoning somewhat more than did the U.S. and Spanish MBAs. The Mexicans were more attracted to the meaningless, but pretentious, statements than were the U.S. or Spanish MBAs.

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DISCUSSION AND IMPLICATIONS OF FINDINGS

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DISCUSSION AND IMPLICATIONS OF FINDINGS

In spite of differences reported, there appears to be some significant consensus transcending national boundaries in this study regarding objectionable business practices. This is especially true for unsafe working conditions, unsafe products, favoritism and sex discrimination, all of which are in the top ten of 49 for the three groups and no significant differences are found. Furthermore, race discrimination, pollution and sexual harassment also appear in the top ten for all three samples although there are some differences identified. Let us examine each of these three practices in greater detail as we try to understand the different proportions in which each was selected.

Race discrimination has obviously been an important issue in the United States where 35 percent of the respondents selected it as a most objectionable business practice in comparison with 29 percent of the Spanish students and only 19 percent of the Mexican students. Although discrimination does exist in Mexico, it is generally not based on race. It is more based on economic class which follows racial lines, but does not seem to be caused by purely racial differences.

Sexual harassment was cited by 36 percent of the U.S. respondents, 22 percent of the Mexican respondents, and 42 percent of the Spanish respondents. Obviously, sexual harassment is a big issue in the United States, especially with the recent nomination hearings of Justice Clarence Thomas and the accusations of Professor Anita Hill. Sexual harassment is also very common in Spanish businesses.

Finally, pollution was selected by all three groups, but in significantly different proportions with 44 percent of the Mexican students selecting it as a most objectionable business practice, 39 percent of the U.S. students, and 27 percent of the Spanish students. Environmental pollution is a grave problem in each of these three countries. However, Mexico City is now famed as the most polluted city in Latin America, and one of the most polluted in the world (Weitzenfeld, 1992). This

situation may contribute to the significant emphasis placed by the Mexican students on the problem.

Despite these differences, the clear message is that with respect to personally objectionable practices, there is remarkable uniformity in the ten most frequently selected topics. There does indeed appear to exist a remarkable consensus which transcends international boundaries over major social issues or objectionable business practices. The three practices which were common to these lists but which were selected in significantly different proportions appear to reflect important issues which apply particularly to one or more of the cultures indicated. These results are consistent with prior studies indicating a similarity in attitudes of business people and students in different parts of the world (Abratt, Nel, & Higgs, 1992; Lysonski & Gaidis, 1991; and Tsalikis & Nwachukwu, 1991).

In contrast, there are significant differences in the Kohlbergian types of moral reasoning used in each group. The Mexicans and Spaniards used conventional level reasoning to a greater extent than did the U.S. respondents, and the U.S. respondents tended to use one type of post-conventional reasoning (stage 5a) more than Mexicans and Spaniards, but the Mexicans favored stage 5b reasoning more than the other two nationalities. There was no significant difference in use of the highest level (stage 6) reasoning or in pre-conventional (stage 2) reasoning. The low mean scores for these two levels indicates that these statements did not frequently characterize the moral reasoning of any of the groups. The Mexicans appeared to be more attracted to the meaningless, but pretentious statements than did the other groups.

Taken as a whole, we have a picture of the diffusion of moral judgment that accords well with social cognitive theory. The evidence supports the idea that social modeling is effective for transmitting attitudes about objectionable business practices. The communication influences in the three groups of students studied are quite similar. In Monterrey, many students live in homes which either have cable television

or a satellite antenna. The Cable News Network (CNN) is widely available to the middle and upper classes. In addition, the news media in all three countries cover many of the same issues. U.S. text books are used widely at both ITESM and the Madrid Business School. The result appears evident in this study: there is a large consensus as to social issues and objectionable business practices.

Despite this consensus with respect to attitudes, social modeling does not appear to effectively transmit different forms of moral reasoning. Both the Mexican and Spanish students reason in significantly different ways than do the U.S. students. In addition, there are many differences in the ways that the Mexican and Spanish students reason when compared to each other as reflected in the DIT scores. We thus conclude that moral attitudes are being transmitted across borders through processes of social modeling. However, reasoning skills cannot be transmitted well through printed or electronic communications media. Since moral reasoning skills cannot be modeled as well across borders, the moral reasoning of the students differs significantly.

We can see that social cognitive theory provides a much more nuanced model of cultural diffusion than does convergency theory which fails to distinguish which aspects of culture are more easily transmitted cross-culturally and which are less easily transmitted. This study may help explain why different business cultures appear superficially similar to the U.S. model, but which are significantly different on a more fundamental level. It is hoped that this research will serve as the basis for future studies which examine more deeply the subject of global business ethics. Clearly, there is a need for longitudinal research which can trace changes in attitude and changes in reasoning over time in different parts of the world. Such longitudinal studies will enable researchers to determine the extent to which attitudes toward questionable business practices are actually converging or not.

What is the practical significance of this information? Quite simply, managers in cross-cultural situations should not assume that similar attitudes are the result of similar reasoning processes. For example, in both Mexico and Spain, the collective in-group plays a very important part in their moral reasoning as indicated by the significantly higher stage 3 scores that students from both of these countries received in comparison to students from the United States. This accords with Hofstede's (1984) observation that both Spain and Mexico are much more collectivistic in orientation than is the United States. As a result, in Spain, for example, business people will say that pollution is a very serious social problem, but they may resist using pollution controls because of the cost which more directly affects their ingroup than does pollution which affects society as a whole.

U.S. managers may find their dealings with their Spanish counterparts confusing due to their loyalty to the ingroup even though both groups of managers share similar moral attitudes. The work of Schwartz (1990) helps resolve some of this confusion related to collectivism in Mexico and Spain. Simply put, the "collective" in these cultures is not society, but the in-group composed of close friends and family. therefore, at the society level, pollution, sex discrimination, and so forth may be viewed very negatively by Spaniards and Mexicans, but the view may change radically when a member of, or the in-group itself, is threatened or inconvenienced.

Another way of understanding this "similar yet different" dimension of the three cultures involved in this study is provided by the concepts of particularism and universalism, value orientations that often come into play in situations that cause a moral dilemma. Basically, universalistic cultures, such as the U.S., use rules for making moral judgments while particularistic cultures, such as Spain and Mexico, use relationships as the guiding principle in these situations. These differences are strongly supported by the data reported in this study related to the differences in the use of stage 3 and stage 5a reasoning by the U.S., Mexican, and Spanish respondents.

These findings are also strongly supported by the recent research results reported by Trompenaars (1993). The practical significance of these results cannot be understated due to the potential for conflict. For example, U.S. managers may say that their Spanish and Mexican counterparts cannot be trusted because "they will always help their friends" while in the opposite scenario, the U.S. managers cannot be trusted because "they would never help their friends."

Additionally, it is apparent that a number of forms of moral reasoning are compatible with the same attitude towards a questionable business practice. If one looks at the case of sex discrimination, for example, a person could object to this practice because she is a woman and it might affect her personally (preconventional: individual selfishness), because her reference group feels this is immoral (conventional: identification with the values of one's group), or because she feels that discrimination does not allow every person in society to contribute their maximum capability which thus diminishes overall societal well-being (post-conventional: societal focus). Managers from different countries need to be aware that shared moral attitudes may result from entirely different kinds of moral reasoning. Failure to do so will only create misunderstandings with respect to attitudes expressed in intercultural contexts.

TABLE 1
A comparison of attitudes regarding the ten most objectionable business practices
among U.S., Mexican, and Spanish MBA students

Questionable Practice	U.S. MBAs Rank (%)	Mexican MBAs Rank (%)	Spanish MBAs Rank (%)	F	D.F.	Probability	Tukey's HSD results ¹
Sex discrimination	6 (30.1)	4 (23.8)	4 (35.3)	1.93	2	0.1472	No differences
Race discrimination	5 (35.5)	8 (19.8)	5 (29.5)	3.86	2	0.0219	US > MEX
Sexual harassment	4 (36.6)	5 (22.8)	1 (42.3)	5.30	2	0.0054	SPA > MEX
Invasion of privacy	8 (14.4)	15 (11.9)	7 (17.3)	0.73	2	0.4806	No differences
Unsafe working conditions	1 (43.8)	2 (32.7)	2 (41.0)	1.62	2	0.1986	No differences
Favoritism	7 (15.0)	9 (18.8)	10 (10.3)	1.93	2	0.1464	No differences
Unsafe products	2 (39.9)	3 (30.7)	3 (35.3)	1.35	2	0.2612	No differences
Deceptive advertising	9 (12.4)	12 (12.9)	LOW (3.8)	4.47	2	0.0120	MEX > SPA US > SPA
Pollution, waste	3 (39.2)	1 (44.6)	6 (27.6)	4.41	2	0.0127	MEX > SPA
Bribery (domestic)	9 (12.4)	6 (21.8)	11 (11.5)	3.02	2	0.0500	No differences
Falsifying expense accounts	LOW (3.9)	11 (14.9)	8 (14.1)	5.74	2	0.0035	MEX > US SPA > US
Dealings with human rights violators	12 (10.5)	7 (19.8)	9 (12.8)	2.34	2	0.0979	No differences

1 MEX > US means that the Mexican MBAs rated this practice significantly more often than did the US MBAs.

TABLE 2

DIT Comparisons for US, Mexican, and Spanish MBA Students

	USA MEAN	MEXICO MEAN	SPAIN MEAN	F	pr > F
A SCORE	1.82	2.12	2.26	0.2700	.7636
M SCORE	0.67	1.31	0.57	8.7310	.0002
STAGE 2	2.92	3.68	2.74	1.4101	.2463
STAGE 3	9.21	15.50	15.85	16.1499	.0001
STAGE 4	17.12	19.50	20.76	3.8943	.0218
STAGE 5A	20.18	9.29	11.29	52.5593	.0001
STAGE 5B	1.94	2.96	1.54	4.7237	.0098
STAGE 6	5.47	4.31	4.27	2.0115	.1363

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