

## 2.3: The Role of Ethics and National Culture

### Learning Objectives

1. Consider the role of individual differences for ethical behavior.
2. Consider the role of national culture on individual differences.

### Individual Differences and Ethics

Our values and personality influence how ethical we behave. Situational factors, rewards, and punishments following unethical choices as well as a company's culture are extremely important, but the role of personality and personal values should not be ignored. Research reveals that people who have an economic value orientation, that is, those who value acquiring money and wealth, tend to make more unethical choices. In terms of personality, employees with external locus of control were found to make more unethical choices (Hegarty & Sims, 1978; Hegarty & Sims, 1979; Trevino & Youngblood, 1990).

Our perceptual processes are clear influences on whether or not we behave ethically and how we respond to other people's unethical behaviors. It seems that self-enhancement bias operates for our ethical decisions as well: We tend to overestimate how ethical we are in general. Our self-ratings of ethics tend to be higher than how other people rate us. This belief can create a glaring problem: If we think that we are more ethical than we are, we will have little motivation to improve. Therefore, understanding how other people perceive our actions is important to getting a better understanding of ourselves.

How we respond to unethical behavior of others will, to a large extent, depend on the attributions we make. If we attribute responsibility to the person in question, we are more likely to punish that person. In a study on sexual harassment that occurred after a workplace romance turned sour, results showed that if we attribute responsibility to the victim, we are less likely to punish the harasser (Pierce et al., 2004). Therefore, how we make attributions in a given situation will determine how we respond to others' actions, including their unethical behaviors.

### Individual Differences Around the Globe

Values that people care about vary around the world. In fact, when we refer to a country's culture, we are referring to values that distinguish one nation from others. In other words, there is systematic variance in individuals' personality and work values around the world, and this variance explains people's behavior, attitudes, preferences, and the transferability of management practices to other cultures.

When we refer to a country's values, this does not mean that everyone in a given country shares the same values. People differ within and across nations. There will always be people who care more about money and others who care more about relationships within each culture. Yet there are also national differences in the percentage of people holding each value. A researcher from Holland, Geert Hofstede, conducted a landmark study covering over 60 countries and found that countries differ in four dimensions: the extent to which they put individuals or groups first (individualism), whether the society subscribes to equality or hierarchy among people (power distance), the degree to which the society fears change (uncertainty avoidance), and the extent to which the culture emphasizes acquiring money and being successful (masculinity) (Hofstede, 2001). Knowing about the values held in a society will tell us what type of a workplace would satisfy and motivate employees.

Are personality traits universal? Researchers found that personality traits identified in Western cultures translate well to other cultures. For example, the five-factor model of personality is universal in that it explains how people differ from each other in over 79 countries. At the same time, there is variation among cultures in the dominant personality traits. In some countries, extraverts seem to be the majority, and in some countries the dominant trait is low emotional stability. For example, people from Europe and the United States are characterized by higher levels of extraversion compared to those from Asia and Africa. There are many factors explaining why some personality traits are dominant in some cultures. For example, the presence of democratic values is related to extraversion. Because democracy usually protects freedom of speech, people may feel more comfortable socializing with strangers as well as with friends, partly explaining the larger number of extraverts in democratic nations. Research also shows that in regions of the world that historically suffered from infectious diseases, extraversion and openness to experience was less dominant. Infectious diseases led people to limit social contact with strangers, explaining higher levels of introversion. Plus, to cope with infectious diseases, people developed strict habits for hygiene and the amount of spice to use in food, and deviating from these standards was bad for survival. This explains the lower levels of openness to experience in regions that experienced infectious diseases (McCrae & Costa, 1997; McCrae et al., 2005; Schaller & Murray, 2008).

Is basic human perception universal? It seems that there is variation around the globe in how we perceive other people as well as ourselves. One difference is the importance of the context. Studies show that when perceiving people or objects, Westerners pay more attention to the individual, while Asians pay more attention to the context. For example, in one study, when judging the emotion felt by the person, the Americans mainly looked at the face of the person in question, while the Japanese also considered the emotions of the people surrounding the focal person. In other words, the Asian subjects of the experiment derived meaning from the context as well as by looking at the person (Masuda et al., 2008).

There seems to be some variation in the perceptual biases we commit as well. For example, human beings have a tendency to self-enhance. We see ourselves in a more positive light than others do. Yet, the traits in which we self-enhance are culturally dependent. In Western cultures, people may overestimate how independent and self-reliant they are. In Asian cultures, such traits are not necessarily desirable, so they may not embellish their degree of independence. Yet, they may overestimate how cooperative and loyal to the group they are because these traits are more desirable in collectivistic cultures (Sedikides, Gaertner, & Toguchi, 2003; Sedikides, Gaertner, & Vevea, 2005).

Given the variation in individual differences around the globe, being sensitive to these differences will increase our managerial effectiveness when managing a diverse group of people.

### Personality Around the Globe

Which nations have the highest average self-esteem? Researchers asked this question by surveying almost 17,000 individuals across 53 nations, in 28 languages.

Based on this survey, these are the top 10 nations in terms of self-reported self-esteem.

1. Serbia
2. Chile
3. Israel
4. Peru
5. Estonia
6. United States
7. Turkey
8. Mexico
9. Croatia
10. Austria

The 10 nations with the lowest self-reported self-esteem are the following:

- South Korea
- Switzerland
- Morocco
- Slovakia
- Fiji
- Taiwan
- Czech Republic
- Bangladesh
- Hong Kong
- Japan

Source: Adapted from information in Denissen, J. J. A., Penke, L., & Schmitt, D. P. (2008, July). Self-esteem reactions to social interactions: Evidence for sociometer mechanisms across days, people, and nations. *Journal of Personality and Social Psychology*, 95, 181–196; Hitti, M. (2005). Who's no. 1 in self-esteem? Serbia is tops, Japan ranks lowest, U.S. is no. 6 in global survey. WebMD. Retrieved November 14, 2008, from <http://www.webmd.com/skin-beauty/news/20050927/whos-number-1-in-self-esteem>; Schmitt, D. P., & Allik, J. (2005). The simultaneous administration of the Rosenberg self-esteem scale in 53 nationals: Culture-specific features of global self-esteem. *Journal of Personality and Social Psychology*, 89, 623–642.

## Key Takeaways

There is a connection between how ethically we behave and our individual values, personality, and perception. Possessing values emphasizing economic well-being predicts unethical behavior. Having an external locus of control is also related to unethical decision making. We are also likely to overestimate how ethical we are, which can be a barrier against behaving ethically. Culture seems to be an influence over our values, personality traits, perceptions, attitudes, and work behaviors. Therefore, understanding individual differences requires paying careful attention to the cultural context.

## Exercises

1. If ethical decision making depends partially on personality, what can organizations do to increase the frequency of ethical behaviors?
2. Do you think personality tests used in Western cultures in employee selection can be used in other cultures?

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