

## 5.4: The Role of Ethics and National Culture

### Learning Objectives

1. Consider the role of motivation for ethical behavior.
2. Consider the role of national culture on motivation theories.

### Motivation and Ethics

What motivates individuals to behave unethically? Motivation theories have been applied to explain this interesting and important question. One theory that has been particularly successful in explaining ethical behavior is reinforcement theory. Just like any other behavior such as performance or cooperation, ethical behavior is one that is learned as a result of the consequences following one's actions. For example, in an experiment simulating the job of a sales manager, participants made a series of decisions using a computer. Partway through the simulation, subjects were informed that salespeople reporting to them were giving kickbacks to customers. Subjects in this experiment were more likely to cut the kickbacks if there was a threat of punishment to the manager. On the other hand, subjects playing the sales manager were more likely to continue giving away the kickbacks if they made a profit after providing the kickbacks (Hegarty & Sims, 1978). In a separate study highlighting the importance of rewards and punishments, researchers found that the severity of expected punishment was the primary predictor of whether subjects reported inclination to behave unethically. In addition to the severity of the punishment, the perceived likelihood of punishment was also a major influence of ethical behavior (Rettig & Rawson, 1963). These findings highlight the importance of rewards and punishments for motivating unethical behaviors.

There are many organizational situations in which individuals may do unethical things but then experience positive consequences such as being awarded promotions for meeting their sales quotas. For example, in many hotels, staff members routinely receive kickbacks from restaurants or bars if they refer customers to those locations (Elliott, 2007). Similarly, sales staff rewarded with spiffs (product-specific sales incentives) may give customers advice that goes against their own personal beliefs and in this sense act unethically (Radin & Predmore, 2002). As long as unethical behavior is followed by positive consequences for the person in question, we would expect unethical behavior to continue. Thus, in order to minimize the occurrence of unethical behavior (and in some instances legal problems), it seems important to examine the rewards and punishments that follow unethical behavior and remove rewards following unethical behavior while increasing the severity and likelihood of punishment.

### Motivation Around the Globe

Motivation is a culturally bound topic. In other words, the factors that motivate employees in different cultures may not be equivalent. The motivation theories we cover in this chapter are likely to be culturally bound because they were developed by Western researchers and the majority of the research supporting each theory was conducted on Western subjects.

Based on the cultural context, Maslow's hierarchy of needs may require modification because the ranking of the needs may differ across cultures. For example, a study conducted in 39 countries showed that financial satisfaction was a stronger predictor of overall life satisfaction in developing nations compared to industrialized nations. In industrialized nations, satisfaction with esteem needs was a more powerful motivator than it was in developing nations (Oishi, Diener, & Suh, 1999).

People around the world value justice and fairness. However, what is perceived as fair may be culturally dependent. Moreover, people in different cultures may react differently to perceived unfairness (Erdogan & Liden, 2006; Mueller & Wynn, 2000). For example, in cross-cultural studies, it was found that participants in low power distance cultures such as the United States and Germany valued voice into the process (the opportunities for explanation and appealing a decision) more than those in high power distance cultures such as China and Mexico. At the same time, interactional justice was valued more by the Chinese subjects (Brockner et al., 2001; Tata, 2005). There is also some evidence indicating that equity (rewarding employees based on their contributions to a group) may be a culture-specific method of achieving fairness. One study shows that Japanese subjects viewed equity as less fair and equality-based distributions as more fair than did Australian subjects (Kashima et al., 1988). Similarly, subjects in different cultures varied in their inclination to distribute rewards based on subjects' need or age, and in cultures such as Japan and India, a person's need may be a relevant factor in reward distributions (Kashima et al., 1988; Murphy-Berman et al., 1984).

## Key Takeaways

Motivation theories are particularly useful for understanding why employees behave unethically. Based on reinforcement theory, people will demonstrate higher unethical behaviors if their unethical behaviors are followed by rewards or go unpunished. Similarly, according to expectancy theory, if people believe that their unethical actions will be rewarded with desirable outcomes, they are more likely to demonstrate unethical behaviors. In terms of culture, some of the motivation theories are likely to be culture-bound, whereas others may more readily apply to other cultures. Existing research shows that what is viewed as fair or unfair tends to be culturally defined.

## Exercises

1. What is the connection between a company's reward system and the level of ethical behaviors?
2. Which of the motivation theories do you think would be more applicable to many different cultures?

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