


Chapter 3

Managerial Ethics and the Function of Culture in Mexico and the United States

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ABSTRACT

This chapter is a reflection on the ethical distinctions between two cultures that share the same civilization (i.e., Mexico and the United States). Impoverished ethical attitudes have inflicted observable harm upon business by unethical decisions and misconduct. Much of this phenomenon is traceable to distinctive cultural construal of ethics. This phenomenon exemplifies the influence that culture exerts on managers, which has a distinct influence on attitudes and behaviors. This chapter explores, through empirical data, whether differences rooted in culture have any contribution to differences in ethical attitudes. 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.

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INTRODUCTION

The impact imposed by the globalization of commerce continues to be felt by almost every society on earth, including expanded circles of customers, suppliers, employers, and stakeholders alike. As this impact intensifies, the consequences of managerial decisions and actions are felt by large numbers of employees as well as consumers. Of particular importance is the ethical component of decisions, where, in a globalized production and consumption environment, 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 current research was conducted to broaden and contribute to the scholarship on the root causes of unethical behavior accompanying and/or influencing managerial decisions. It is designed to bridge the gap between cultural influence and individual decisions, inductions, actions, and inactions in the management of public and private organizations. In a global economy characterized by a glowing amalgam of dissimilarity of personnel, multifarious varieties of moral and ethical values, uneven horizons of interpretations, managers ought to be sufficiently equipped with adequate understanding of issues affecting both employees and consumers alike. The necessity for managers to recognize the importance of such attentiveness relative to their cultural circumstances is the unavoidable reality of today's multinational and multicultural marketplace. Employees can be influenced to engage in behaviors considered ethical or unethical depending on their national culture (Doh, Husted, Matten & Santoro, 2010).

Considering the current climate of globalization, intercultural knowledge is needed by managers in order to improve international trade through better understanding (Doh et al., 2010; Franke & Nadler, 2008; Su, 2006). Not only is such awareness needed to improve corporate profitability, it is also necessary for the enhancement of corporate legitimacy and competitive advantage in a global marketplace, including North America (Ahmad & Ramayah, 2012; Zheng, Luo, & Wang, 2014). Benefits of intercultural knowledge include but by no means limited to: improved collective organizational commitment and citizenship behaviors (Chun, Shin, Choi, & Kim, 2013); improved legitimacy and financial performance (Harris, 2007); positive linkage between a company's social responsibility and business performance (Buciuniene & Kazlauskaite, 2012); competitive advantage in international business

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