A CROSS-CULTURAL COMPARISON OF ETHICAL ATTITUDES OF MARKETING MANAGERS: PUERTO RICO AND THE UNITED STATES

A Dissertation Proposal

Submitted to the
Faculty of Argosy University/Sarasota
in partial fulfillment of
the requirements for the degree of
Doctor of Business Administration

by

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March, 2006

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ABSTRACT

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by

Gino Franceschi Torres

March, 2006

Chair: Dr. Gordana Pesakovic
Member: Dr. Cal Berkey
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Department: College of Business and Information Technology

The first comparative study was conducted for investigating the cross-cultural comparison of ethical attitudes of marketing managers in Puerto Rico and the United States, and if the dimensions of Hofstede have some influence in the ethical attitudes.

A descriptive research design was used in this investigation. A total of 254 subjects representing the SME of Puerto Rico and the AMA Chapter in South Florida, was used. All are marketing managers.

A t-test analysis proved two thinks, first, that there no differences between the ethical attitudes of the marketing managers in Puerto Rico and in the United States and second, the dimensions of Hofstede’s do not have any influence in the ethical perception of the marketing managers in Puerto Rico.
Acknowledgements

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Belinda and Leilanyys, thank you for giving me your time, your support, and unconditional love during all this process and in my most difficult times. I really appreciate you. Finally I made it.
DEDICATION

This work is dedicated to my wife Belinda Morales Vélez to my daughter Leilany Franceschi Morales and to my other baby who have five weeks of live. Also to my parents José and Lydia, my sister Michelle and to my father-in-law who passed away, Rev. Carlos Morales Martínez.

You were my motivation and inspiration during this long travel through my Doctoral Degree in Business Administration (DBA).

Blessings.
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CHAPTER ONE: THE PROBLEM

The Problem

In an increasingly multicultural marketing context, the question of the compatibility of ethical values across-cultural borders has gained importance over the past decades. Given that more and more countries with rapid economic development are being integrated into world markets, culture needs to be understood as a multidimensional phenomenon that comprises more than just nationality (Srška, 2004).

In today’s world, culture plays an important and significant role in the ethical attitudes of marketing managers; different cultural backgrounds may influence individuals' ethical reasoning. Furthermore, each culture perceives the world from a very different point of view. These cultural differences make it necessary, now more than ever, that business people consider these ethical attitudes and cultural differences in this new era of globalization. Due to this phenomenon of the globalization of markets and businesses, and a large increase in the ethical conflicts faced by marketing managers in medium and large companies around the world, it has become imperative to know what impact culture has on the ethics, especially in the four dimensions of Hofstede’s.

In Hofstede’s first study of multinational culture for the IBM Company in 1978, he used approximately 72 countries and 116,000 questionnaires to investigate four main dimensions in which country cultures differ one from another. In this study he used the dimensions of Power Distance, Uncertainty Avoidance, Individualism, and Masculinity/Femininity. Puerto Rico was not included in that study.
There are very few studies that compare and contrast the Puerto Rican and American managerial styles, and in those studies the marketing managers are included only as managers.

It would be very interesting and important for marketing managers to know how they are cataloged from a seemingly contrasting culture. In Puerto Rico, the only information that exists is related to the differences and similarities between the Puerto Rican and American managerial styles and the impact these two style differences may have on organizational performance. However, a study exploring the differences and similarities of marketing managers does not exist.

Problem Background

There has been increased research interest in the area of business ethics, at both the conceptual and the empirical levels during the last three decades, as clearly evidenced by the increase in the number of journals which specialize in, or focus on, business ethics during that period (Christie, Kwon, Stoeberl & Baumhart, 2003).

The problem becomes more evident when marketing managers must work in a global setting, due to the internationalization of companies and the global economy. Marketing managers need to work with many customers from different places around the world; each country can be very similar in some dimensions and very different in other dimensions when compared with the country of the marketing manager. This comparison demonstrates the importance of understanding the role of culture.

“To facilitate cross-cultural comparisons, one need to operationalize culture and identify aspects or dimensions common to all cultures, particularly in the area of business” (Christie, Kwon, Stoeberl & Baumhart, 2003). To do this Hofstede developed
cultural dimensions that have been extensively accepted in the international business field, and have been persistently validated over time.

Hofstede developed four cultural dimensions: individualism for societies in which the ties between individuals are loose; power distance to explain the way a society handles inequality among its members; uncertainty avoidance to show the extent to which the members of a culture feel threatened by uncertain and unknown situations, and masculinity for societies in which social gender roles are sharply differentiated (Christie, Kwon, Stoeberl & Baumhart, 2003). These four dimensions focus on national culture.

There is much research, individually and in cooperation, that has studied the cross-cultural ethics in many different countries and in the United States. However, the studies are very descriptive, and do not tell us anything about how the cultures of these countries, in this case Puerto Rico and the United States, can influence the ethical attitude of marketing managers.

This study demonstrates the relationship between culture and the ethical attitudes of marketing managers in Puerto Rico and the United States. This study used the Geert Hofstede's cultural typology to examine the relationship between his four cultural dimensions: individualism, power distance, uncertainty avoidance, and masculinity in marketing managers’ ethical attitudes.

Literature Review

Today, due to the phenomenon of the globalization of the markets, the globalization of business, and a large increase in the ethical conflicts faced by marketing managers in medium and large companies around the world, it has become imperative to know what impact culture has on the ethics of marketing managers. During the past 30
years, there has been an explosion of research in the area of business ethics in general and marketing ethics in particular. Due to the fact that most of that research in marketing ethics is normative, focusing on guidelines and rules to assist marketers, it has presented a positive theory of marketing ethics to explain the decision-making process for problem situations having ethical content. This general theory of marketing ethics provides structure to what had been streams of scattered and fragmented research in marketing ethics (Donoho, Polonsky, Herche & Sweson, 1999).

Marketing managers need to work with clients from diverse places around the globe. Each country can be very similar in particular dimensions and very different in others in comparison to the country of the marketing manager. It is this difference that demonstrates the importance of understanding the roll of culture and ethics in multinational companies.

Concern for ethical issues in business has dramatically increased over the last ten to 15 years. Both academics and practitioners have shown an intense interest in ethical issues. For example, both the Journal of Business Ethics and the Business & Professional Ethics Journal came into existence in the early 1980s. There have also been numerous ethics conferences, such as the Arthur Anderson sponsored conferences on teaching business ethics and Penn State's G. Albert Shoemaker Program in Business Ethics (Vitell & Ho, 1997).

“Today, many of the ethical questions developing in many firms are related to marketing decisions” (Ferrell & Gresham, 1985, p.88). Vitell, James, & Mohammed, (1991) state, “Since marketing is the functional area within business that interfaces with the consumer, it tends to come under the greatest scrutiny, generates the most controversy
and receives the most criticism with respect to potentially unethical business practices. Advertising, personal selling, pricing, marketing research and international marketing are all the subject of frequent ethical controversy” (p. 365). “Because of these controversies, marketing ethics has been, and continues to be, of significant interest to scholars” (Armstrong & Sweeney, 1994, p. 775).

Marketing ethics is defined as “the principles that guide an organization’s conduct and the values it expects to express in certain situations” (Zikmund & D'amico, 1996, p.733). Also Vitell (1986) states “marketing ethics is defined as an inquiry into the nature and grounds of moral judgments, standards, and rules of conduct relating to marketing decisions and marketing situations” (p. 4). The ethical dilemma and the ethical decision-making in marketing have been recognized as two of the major topics of importance during the last decade.

Another topic of interest is culture. Understanding the culture of one’s country is not easy, because culture includes: value systems, attitudes, symbols, rituals, and related behaviors. Most of the characteristics representing a culture are very abstract and may affect the work place. Christie, Kwon, Stoeberl & Baumhart (2003) state that “culture is an abstraction and not an entity to be measured; one can never fully understand a culture” (p. 265). The culture and the ethics have a repercussion and a direct impact on managers, especially for marketing managers. Ethical and cultural attitudes have a very important relevance. Today the marketing ethics study how the moral standards are applied to marketing decisions, behaviors and institutions. In essence, marketing ethics examines moral issues faced by marketing managers and organizations (Murphy, 2002).
Typically, in countries with high power distance such as Japan, Mexico, Quebec, and Latin countries in Europe, organizations have well-defined power and authority structures, enjoy paternalistic environments, and supervisors have a controlling influence over employees. Countries with low power distance like the United States, British Canada, and Nordic countries in Europe exhibit flat hierarchies in their organizations. Subordinates are less deferential, and are more likely to challenge and oppose a supervisor’s ideas or directives, while managers in these environments are more employee-oriented and try to utilize the creative potential of their subordinates (Maldonado, 2001).

There is much research, individually and in cooperation, that has studied the cross-cultural ethics in many different countries and in the United States. However, the studies are very descriptive and do not tell us anything about how the cultures of the countries, in this case Puerto Rico and the United States, can influence the ethical attitude of marketing managers.

In today’s world, ethics is one of the major problems that multinational companies have to confront. Wines & Napier (1992) stated, “in a global marketplace, managers often face major difficulties when it comes to handling ethical problems within a different cultural context” (p. 732), due to each country having its own perception of what is ethical and what is not. Also, another important factor is the increasing number of transnational and multinational corporations that enter in the global economy. Another factor is the migration of workers from one country to another. Today more and more managers, whether employed abroad or working domestically, have to work with superiors and subordinates from other cultures. Due to this phenomenon, is important for
the marketing managers to understand this accelerated development of intra-organizational behavior from a cross-cultural perspective for improved organizational and managerial effectiveness in multinational corporations.

Even more, ethical and social values affect business decisions and behavior. Since the ethical values of business managers are embedded within their culture, and are influenced by global business norms, it is necessary to understand the social and cultural contexts within each country that influence the similarities and differences in ethical interpretation and practice (Hood & Logsdon, 2005).

It is also important to mention that given the ever-increasing globalization of economies, growing numbers of marketing firms are expecting more of their profits to be derived from international sales. Global competition is ferocious; thus, developing long-term partner relationships often becomes a significant competitive advantage. Corporate ethics are of pivotal importance in global business, though globalization also complicates ethical questions, because an individual's culture affects his/her ethical decision-making. Failure to account for the effects of differences in consumers' culturally based ethical values will hinder a marketer's efforts to expand internationally (Singhapakdi, Rawwas, Marta & Ahmed, 1999).

Purpose of the Study

Puerto Rico is a small island in the Caribbean, with an impressive number of companies that conduct business on the island. This includes many companies from all over the United States, creating a multicultural workplace where Puerto Rican managers interact with American managers. That interaction becomes a fundamental point for
identifying the cultural differences between the two groups, and discovering how these differences can influence managerial behaviors.

The purpose of this study was to test if there are any differences in the ethical attitudes of marketing managers in Puerto Rico and the United States, and whether the four dimensions of Hofstede (individualism, power distance, uncertainty avoidance, and masculinity) influence these variations.

The findings of this study provided important information for further research on the impact of cultural differences on marketing manager’s behavior, and how these work-environment differences impact the cultural dimensions according to Hofstede.

Research Hypotheses

“Individual differences in ethics reflect cultural variations, that is, differences in the collective programming of the mind that differentiate one individual from another” (Swaidan & Hayes, 2005, p.10). Those differences in culture make possible for individuals from different backgrounds or lifestyles exposed to different customs, like heritages, language, rituals, customs, and religions to interact. This interaction between cultures may cause significant variations in moral standards, beliefs, and behaviors across cultures.

Puerto Rico has been a part of the Caribbean - Latin ancestry. However, the Puerto Rican people have been influenced by many cultures, like the Dominican and the Cuban. However, the Puerto Rican culture and ethical attitudes have been influenced by the Anglo culture of the United States, as a result of the relationship between these two countries during the last century; this influence can be perceived daily.
Hypothesis

H1: There is no difference in the ethical attitudes among marketing managers in the United States and Puerto Rico.

H2: There is no difference between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ ethical attitudes in countries with a low collectivism score.

H3: There is no difference between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ ethical attitudes in countries with a low collectivism score.

H4: There is no difference between marketing managers’ ethical attitudes in countries with a high score and the marketing managers’ ethical attitudes from countries with a low score in uncertainty avoidance.

H5: There is no difference between marketing managers’ ethical attitudes in countries with a high masculinity/femininity and the marketing managers’ ethical attitudes in countries with low masculinity/femininity scores.

Limitations and Delimitations

This study used the Hofstede’s Values Survey Module to collect data from Puerto Rican marketing managers in Puerto Rico, and from American marketing managers in the United States (specifically in the State of Florida). This will create the following:

1. The use of e-mails involves a high risk due to low response rates and to the low reliability of the responses lacking face-to-face communication.

2. This study will be based on the perceptions and the criteria of the participants; the perception of what is ethical may be different in the two countries.
3. The study will involve only marketing managers; therefore, the findings may be different for other employees of the Department.

4. The sample frame will include employees from diverse Companies in Puerto Rico and Florida. Differences in corporate cultures may have an effect on the results of the study.

5. Since the study will focus on the Puerto Rican culture (especially among the marketing managers) the results may not be equal to other cultural groups.

6. Participants in Puerto Rico are supposed to be Puerto Rican, (that is, born and lived most of their lives in Puerto Rico), but the researcher doesn’t have a guarantee that the person who filled the questionnaire is Puerto Rican.

7. Participants in the United States are supposed to be American, (that is, born and lived most of their lives in the United States), but the researcher doesn’t have a guarantee that the person who filled the questionnaire is American.

Definitions

The cultural dimensions included in this study were defined by Hofstede as follows:

1. Power Distance: “the extent to which a society accepts the fact that power in institutions and organizations is distributed unequally” (Hofstede, 2001, p.98).

2. Uncertainty Avoidance: “the extent to which the members of a culture feel threatened by uncertain or unknown situations” (Hofstede, 2001, p. 161).

3. Individualism/Collectivism: Individualism stands for a society in which the ties between individuals are loose; everyone is expected to look after him/herself and her/his immediate family only. Collectivism stands for a society in which people
from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty (Hofstede, 2001).

4. Masculinity/Femininity: Masculinity stands for a society in which social gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life. Femininity stands for a society in which social gender roles overlap: both men and women are supposed to be modest, tender, and concerned with the quality of life (Hofstede, 2001).

5. Culture: “The institutions, values, beliefs, and behaviors of a society; everything we learn, as opposed to that with which we were born; that part of the environment, domestic or foreign or both, that is shaped by humankind” (Zikmund & D'amico, 1996, p. 727). Hofstede (2001) states “culture is the collective programming of the mind that distinguishes the members of one group or category of people from another” (p. 9). The complex whole that includes knowledge, belief, art, morals, law, custom, and other capabilities acquired by a person as a member of society” (Hill, 2005, p.696). “Culture is a construct, that means it is not directly accessible to observation, but inferable from verbal statements and other behaviors, and useful in predicting still other observable and measurable verbal and nonverbal behavior. It should not be reified; it is an auxiliary concept that should be used as long it proves useful, but bypassed where we can predict behaviors without it” (Hofstede, 1993, p. 88).
6. Values: Hofstede (2001) states “values are held by individuals as well as by collectivities; culture presupposes a collectivity. Is a broad tendency to prefer certain states of affairs over others” (p. 5). Lamb, Hair & McDaniel (2005) state “enduring belief that a specific mode of conduct is personally or socially preferable to another mode of conduct” (p. 541).

7. Attitudes: “Attitudes can refer to the stands the individual upholds and cherishes about objects, issues, persons, groups, or institutions. The referents of a person’s attitudes may be a way of life, economic political or religious institutions, family, school or government” (Sherif & Sherif, 1965, p. 4). Lamb, Hair, & McDaniel (2005) state “attitude is a learned tendency to respond consistently toward a given object” (p. 530). Several research studies in education, sociology, psychology, management, business ethics, and international business have established that different attitudes are associated with different cultures.

8. Culture and business-ethical attitudes: is the branch of ethics that examines ethical rules and principles within a commercial context, the various moral or ethical problems that can arise in a business setting, and any special duties or obligations that apply to persons who are engaged in commerce. Business ethics is a form of applied ethics, a branch of philosophy. As such, it takes the ethical concepts and principles developed at a more theoretical, philosophical level, and applies them to specific business situations. Generally speaking, business ethics is a normative discipline, whereby particular ethical standards are assumed and then applied. It makes specific judgements about what is right or wrong, which is to say, it makes claims about what ought to be done or what ought not to be done. While there are
some exceptions, business ethicists are usually less concerned with the
foundations of ethics or with justifying the most basic ethical principles, and are
more concerned with practical problems and applications, and any specific duties
that might apply to business relationships (Wikipedia, 2005).

Importance of the Study

Hofstede’s research (1980) has had an important impact on the study of cultural
differences, especially for multinational firms. Those companies now understand the
influence of culture on organizational theories and behaviors. With this study of Puerto Rico, helpful information may be collected to understand and enrich the knowledge regarding the differences of cultures.

This study served as a foundation for further research in determining if the contact with people from a contrasting culture can influence and affect the marketing decisions of the marketing managers. This information obtained in this study maybe very helpfully to the marketing department of the companies in Puerto Rico, because if the company doesn’t perceive the effects in their employees, the possibility exists that the marketing manager can be influenced by others, which in turn affects the consumers and possibly the sales of the company.

Chapter two of this study, the literature review, presents a detailed review of the culture and their dimensions, also presents the ethics and Ethical Decision-Making and their implications for the marketing managers.
CHAPTER TWO: LITERATURE REVIEW

Introduction

Due to the same phenomenon of the globalization and integration of the markets around the world, day after day more multinational corporations are moving to other countries. Those multinational corporations understand that in order to continue and succeed in this new global economy, the corporations need to move as fast as they can in order to get economics benefits in the international market.

This process of internationalization of those companies brings good opportunities in terms of economics, but also brings big challenges for the multinational, especially in terms of culture and ethic. According to Thorne and Sanders (2002), “in an increasingly global business environment, one of the central challenges facing firms is how to balance the desire for standardized global policies, with appropriate consideration of the specific norms of various cultural contexts” (p. 1).

“Different cultural backgrounds lead to different ways of perceiving the world, and cultural differences affect individuals’ ethical reasoning” (Thorne & Sanders, 2002 cited in MacDonald, 2000). Research shows that individuals from diverse cultures differ in their sensitivity to ethical situations, perceptions, ethical values, and ethical behaviors. The ethical behavior in the work setting has different points of view depending on the author. Most of literature on ethical enquiry exists in a variety of academic disciplines, with each focusing on a distinctive goal, and hence a different approach to the subject. For example in the philosophical literature, moral philosophers aim primarily at the goal of prescribing abstract standards of behavior. The task by nature is a normative one, which involves the evaluation of the goodness of behavior through reflective
deliberations. Consequently, moral philosophy contributes to ethical enquiry by justifying what moral behavior "ought-to-be" (Waterman, 1998).

In the applied ethics literature, such as business ethics or other professional ethics, applied ethicists aim at not only the normative task of providing justification for abstract standards of behavior, but also the practical task of applying such standards to conduct in the professional context (Singer, 2000, cited in Velasquez, 1996). The attitudes toward business ethics may vary significantly, even within one culture when an attempt is made to work together with people of the other culture, or have a consensus in one point that becomes virtually impossible.

"Culture not only influences learning, but also impacts what is perceived as right/wrong, acceptable/unacceptable, and ethical/unethical" (Lu, Rose & Blodgett, 1999, p. 91). What may be commonplace and quite legal in one country oftentimes is considered illegal or unethical in another. The divergent views that different countries attach to issues such as intellectual property rights, the role of women in business, patent infringement, bribery, the environment, and the importance of one's job vis-à-vis one's family, for example, attest to the pervasive influence of culture on business conduct. Cultural factors can also influence business professionals' perceptions as to their responsibilities toward various stakeholders, such as fellow employees or customers (Lu, Rose & Blodgett, 1999). There may sometimes be a dilemma of how the multinationals perceive and react to that kind of situation. What is good for our company in our country is not necessarily good for a foreign country, and those dissimilarities can have an impact in the organization. One of the impacts of those changes in culture and ethics has serious implications for the marketing department of the company; in today’s world the
marketers need to understand the culture and adapt to them. To adjust and adapt a marketing program to foreign markets, markets must be able to interpret effectively the influences and impact of each of the foreign market in which they hope to do business (Czinkota, Ronkainen & Moffett, 1999).

Today Puerto Rico has an enormous challenge - maintaining its economic competitiveness in the Caribbean and exploring new markets. Due to the same process of globalization, most of the Puerto Rican companies now look at the international market for doing business. Now the Puerto Rican managers interact with managers around the world, and they need to understand the role of the culture and what implications it has on the company. The purpose of this chapter is to get a better comprehension of cultural dimensions provided by Hofstede in his study, and how this dimension can influence the organizational behavior in the department of marketing.

Culture

Defining culture originally, the term culture is derived from Latin “cultura”, which stems from the verb colere, and means tending or maintaining. Today, definitions of culture are multiple and diverse (Srnka, 2004). Kroeber and Kluckhohn (1967), found 164 different descriptions, which they classified into seven categories. These categories are not mutually exclusive definitions, but rather reflect different aspects of the diffuse concept of “culture.” Accordingly, culture is characterized by the following aspects: (a) contains several components (enumerative-descriptive aspect); (b) refers to social heritage and traditions (historical aspect); (c) comprises ideals and expected behaviors (normative aspect); (d) is based on adaptation to environmental conditions, learning and behavior (psychological aspect); (e) regulates human social life (structural definitions);
and (6) is reflected in ideas, symbols, and artifacts (result-based aspect). The last category (7) [“incomplete definitions”] contains definitions referring to parts of definitions falling into one of the prior classes. Based on these various categories of concept descriptions - suggests the following comprehensive definition: Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols constituting the distinctive achievement of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other as conditioning elements of further action (Srnka, 2004). The Puerto Rican people represent a cultural and racial mix. During the early 18-century, the Spaniard, in order to populate the island, took Taino Indian women as brides. Later on as labor was needed to maintain crops and build roads, African slaves were imported for work here, followed by the introduction of Chinese immigrants, then continued with the arrival of Italians, French, German, and even Lebanese people. American expatriates came to the island after 1898. Long after Spain had lost control of Puerto Rico, Spanish immigrants continued to arrive on the island. The most significant new immigrant population arrived in the 1960s, when thousands of Cubans fled from Fidel Castro's Communist state. The latest arrivals to Puerto Rico have come from the economically depressed Dominican Republic. This historic intermingling has resulted in a contemporary Puerto Rico practically without racial problems and with a variety of cultural influences (Puerto Rico Tourism Company, 2005).

Some contemporary anthropologists define culture “as the distinctive way of life of a group of people, their complete design for a living” (Heidrich, 2002, p. 1). Other
anthropologists and sociologists define culture as ways of living, built up by a group of human beings, which are transmitted from one generation to another. A culture acts out its way of living in the context of social institutions, including family, educational, religious, governmental, and business institutions. Culture includes both conscious and unconscious values, ideas, attitudes, and symbols that shape human behavior, and that are transmitted from one generation to the next. In this sense, culture does not include one-time solutions to unique problems, or passing fads and styles (Keegan & Green, 1997). That is why culture is not easy to understand and measure, because the culture has so many implications and factors that influence them. It is very clear that understanding culture is not an easy task, because culture is a concept that the individuals have inside; the culture is not an entity to be measured.

Hofstede (2001) defined culture as “the collective programming of the mind that distinguishes the members of one group or category of people from another” (p. 9). The programming manifests itself in the values and beliefs of a society. Values are the tendency of an individual to prefer certain states of affairs over others. For any number of social behaviors, societies put different weights on different outcomes. Often these factors require a ‘guns or butter tradeoff’, and elements in the society are strongly anchored to preferences for one outcome over the other. Hofstede believes that the level at which preferences find their balance is culturally determined. But culture also involves itself in learned behavior, as individuals grow up and gradually come to understand what their culture demands of them. Culture is not just an abstraction, but also a physical reality (Johansson, 2000).
According to Johansson (2000), culture is usually defined as the underlying value framework that guides an individual’s behavior. It is reflected in an individual’s perceptions of observed events and personal interactions, and the selection of appropriate responses in social situations. The framework encompasses objective reality as manifested in societal institutions, and subjective reality as socialized predispositions and beliefs. Culture consists of learned responses to recurring situations. The earlier these responses are learned, the more difficult they are to change. Taste and preferences for food and drink, for example, represent learned responses that are highly variable from culture to culture, and can have a major impact on consumer behavior (Keegan & Green, 1997).

Investigating the culture of a country is not easy. One innovative way of researching subtle cultural differences is the Cultural Standard Method, a qualitative research approach. The main factor distinguishing the cultural standards method from other cultural comparisons, like the ones developed by Hofstede, is a much greater differentiation of cultural differences. In this regard, the relative character of cultural standards must be emphasized. The cultural standards model looks at differences that are valid only in the comparison of two cultures (Brueck & Kainzbauer, 2001). As the figure below demonstrates, cultural standards are shared by the majority (but not necessarily by all) of the representatives of a particular culture. As with many other socio-cultural phenomena, cultural standards can also be represented in the form of a normal distribution (Brueck & Kainzbauer, 2001).
The statistical mean value shows the relatively most frequent manifestation of a cultural standard. This could be called a prototype of a cultural standard in a group or culture. This indicates that there is the tendency in the behavior of the members of this group or culture to act according to this prototyped cultural standard, although different behavior is tolerated in that culture as well. As a consequence of socialization, these cultural standards are not apparent to the people sharing a common cultural background (Brueck & Kainzbauer, 2001). Cross-cultural contacts, however, exposing differing cultural standards and incidents perceived as problematic or awkward, lead to the standards being consciously experienced. Such critical incidents in which cultural standards materialize serve as raw material for cross-cultural research. The analysis and categorization of these critical incidents leads to the identification of cultural standards. Bilateral critical incidents are identified by interviewing persons of one culture who have considerable working experience in the other culture (Brueck & Kainzbauer, 2001).

In the marketing literature, culture is often defined as “the essential character of a society that distinguishes it from another” (Lamb, Hair, & McDaniel, 2005, p. 123). This definition, although correct, seems too broad and unspecific for the purpose studied.
Therefore, other definitions of culture will subsequently be considered and a more specific one will be suggested (Srnka, 2004).

Srnka (2004) stated at a closer look, the various cultural conceptions, history, religion, or language as well as organizational, professional, or other subcultures could be regarded as different levels of the same basic concept. Some nations share similarities on a superior level, which may be, the economic system, stage of economic development, ethnicity or religion.

Trompenaars (1994) stated culture operates within a group, is learned (often through generations), influences the basic thinking process of groups of people, and describes common behaviors and values that groups of people may exhibit under certain conditions. Consequently, a fourth cultural dimension above the national culture can be identified, which represents the “supra” level. This highest level of culture comprises nationalities sharing political systems, ethnic roots, religious values, and economic standards. It distinguishes four levels of culture: on the “macro”-level is located national culture, “Supraculture” - shared by nations with similar economic systems and development, ethnicity, religion, “Mesoculture” shared by groups or communities, e.g., a professional group or industry, within a macroculture and on the “micro”-level the organizational culture is referenced.

Consequently, a fourth cultural dimension that is above the national culture can be identified. This “supra”-level of culture comprises nations sharing economic standards, ethnic roots, religious values, etc. Therefore, national culture cannot be understood independently from the economic system, stage of economic development, religion, etc. While supra- and macro cultural factors represent the wider cultural environment, meso-
and micro cultural forces constitute the closer cultural environment. This distinction is significant because the two cultural environments differ in the way in which values are learned, as well as in value endurance and their impact on behavior (Hentze & Lindert, 1992).

The various cultural levels, which cannot be seen isolated from each other but influence each other, are displayed in Figure 2.

**Figure 2**
Levels of Culture: A Marketing Perspective

![Diagram showing levels of culture](image)

While supra- and macrocultural factors represent the wider cultural environment, meso- and microcultural forces constitute the closer cultural environment. This distinction is significant because the two cultural environments differ in the way in which values are learned, as well as in value endurance and their impact on behavior. The acquisition of values from the wider cultural environment takes place through socialization in early childhood (by family and school), and is "updated" later via mass media. Groups in the closer environment (particularly peers), on the other hand, exert social influence in day-to-day interactions (Srnka, 2004).
The modern conception of culture focuses directly on observable behavior. It recognizes that culture not only predisposes the individual toward certain behavior, but also eliminates other behavior. Consequently, culture creates a repertoire of behavioral skills. Culture directly influences what people will do and what people can do. This interpretation of culture is more important for how managers should decide, less for what the decision should be. Culture affects implementation and execution of strategies more than their formulation (Johansson, 2000). In the case of the marketing department, culture and ethics have a direct influence in the implementation and execution of strategies. The marketers need to understand the culture of the foreign country in order to obtain success.

*High Context Culture.*

In high context cultures, the meaning of individual behavior and speech changes depending on the situation. Nonverbal messages are full of important and intended meanings. Even if no words are spoken, individuals communicate. When words are spoken, ‘reading between the lines’ is important. High context cultures require a similarity of backgrounds, a commonness of purpose, and homogeneity in society. These result from careful enculturation and socialization starting at an early age in the family. The process continues naturally in homogeneous countries, with one religion, one language, centralized broadcast media, coordinated educational system, and so on (Johansson, 2000). In the high culture context, the culture is more homogeneous, people are more humanistic and more people oriented. In a high context culture, a person’s word is his or her bond. There is less need to anticipate contingencies and provide for external legal sanctions since the culture emphasizes obligations and trust as important values (Keegan & Green, 1997).
In these cultures, shared feelings of obligation and honor take the place of impersonal legal sanctions. This helps explain the importance of long and protracted negotiations that never seem to get to the point. Part of the purpose of negotiating, (for a person from a high contest culture) is to get to know the potential partner (Keegan & Green, 1997).

High context culture can be found in a variety of countries, including most of the European countries, some of the Latin American countries (Chile, Mexico, perhaps Venezuela and Argentina), and many of the newly industrializing Asian countries, but not China or India. In countries with high context cultures such as Saudi Arabia and Japan, a written contract is not always enforceable if the situation changes or if new people move into executive positions (Johansson, 2000).

**Low Context Culture**

In a low context culture, intentions are expressed verbally. Repositions have to be justified, and opinions defended openly. In a low context culture the situation is not allowed to change the meaning of words and behavior; the context conveys little or no information. This is quite useful and effective in a country that is multicultural, and where people’s value system and attitudes can be very different (Johansson, 2000). Americans, because of their diversity, have a low context culture. Low context culture can also be found in ethically diverse countries such as India, China, Russia, and in countries such as Australia and New Zealand with large immigrant populations that have nevertheless blended (Johansson, 2000). In the low context the people are more heterogeneous, individual oriented active and solution oriented, productive and like the risk.
Ethics

Ethics refers to the moral principles of values that generally govern the conduct of an individual or a group. Ethics can also be viewed as the standard of behavior by which conduct is judged.

Standards that are legal may not always be ethical, and vice versa. Laws are the values and standards enforceable by the courts. Ethics consist of personal moral principles and values rather than societal prescriptions (Lamb, Hair & McDaniel, 2005). Ethics consist of a subset of major life values that people have learned since birth; ethics are influenced by culture and moral values. According to Lamb, Hair & McDaniel (2005), morals are the rules people develop as a result of cultural values and norms. Culture is a socializing force that dictates what is right and wrong. Moral standards may also reflect the laws and regulations that affect social and economic behavior.

Cultural Elements Affect Ethical Decisions in Various Marketing Situations

Hunt and Vitell developed the first total model explaining individual decisions concerning ethical issues in marketing. According to this model, perception of an ethical problem situation triggers the decision-making process, and the decision maker identifies alternatives qualified to resolve the ethical problem, as well as the consequences of these actions. In the next stage, evaluation takes place. Hereby, the individual refers, on the one hand, to higher moral obligations or duties (called deontological norms) to arrive at a deontological evaluation. On the other hand, he or she takes into consideration the probability of consequences for stakeholders, the desirability of these consequences, and the importance of the stakeholders affected, which lead to a teleological evaluation. Next comes what Hunt and Vitell call the heart of the model (Srnka, 2004). “These stages
postulate that ethical judgment is a function of both deontological and teleological evaluations” (Hunt and Vitell, 1986, p. 9). They further claim that the ethical judgment impacts behavior through an intervening variable - intention (conceptualized as the likelihood that any particular alternative will be chosen). Since, however, according to the Hunt and Vitell theory, intentions are also affected by teleological evaluations; they may differ from ethical judgments (Srńka, 2004). This means that an individual may perceive a particular alternative as being the most ethical one and, nevertheless, intend to choose another alternative because of certain preferred consequences (Hunt and Vitell 1986, p. 10). Intentions predict behavior. An evaluation of the consequences finally follows actual behavior. The result of this behavioral evaluation feeds back into the process through personal experiences, representing the major learning construct in the model (Srńka, 2004).

To adjust and adapt a marketing program to foreign markets, markets must be able to interpret effectively the influences and impact of each of the foreign markets in which they hope to do business. In a broad sense, the uncontrollable elements constitute the culture, and lies in recognizing their impact (Czinkota, Ronkainen & Moffett, 1999). The marketer needs to know very well the idiosyncrasies of the people - the language, their religion and the manner of doing business. These are only a few uncontrollable factors that the marketers need to confront in today’s world.

In an increasingly multicultural marketing context, the question of the compatibility of ethical values across cultural borders has gained much in importance over the past decades. Thus, more and more countries with rapid economic development
are being integrated into world markets; culture needs to be understood as a multidimensional phenomenon that comprises more than just nationality (Srńka, 2004).

“In the past decades, an increasing amount of attention has been devoted to ethics in business in general and marketing in particular” (Malhortra & Miller 1998, p. 263). Today marketing managers have become more sensitive in the ethics aspect; marketers pay more attention to customers. Most of them believe that customers and the public suppose that they act in an ethically and morally acceptable way. Most marketers express their moral commitment as well as the conviction that ethical conduct is mandatory to establish trust (Srńka 1997, p.96). “This is consistent with the general marketing theory, which holds that all exchanges are based on trust” (Kotler 2003, p. 8), and that conflicts are likely to result if buyer and seller are not in agreement with respect to their ethical mindsets (Lee, 1981, p. 58). There is no doubt many contextual factors that contribute to the success or failure of specific relationship marketing efforts. We theorize that the presence of relationship commitment and trust is central to successful relationship marketing, not power and its ability to condition others (Morgan, 1994, p. 22).

“Compatibility of ethical values held by the exchange partners is thus a central requisite for trust and persistent relationships” (Ahmed, Kung & Eichenseher, 2003, p. 89). This is a very important point, because if confidence from the customers in the company does not exist, then the effort of marketing, promotion, advertising and personal sales suffer the consequences, and the company may have lost.

Often enough, decision makers within their own cultural boundaries do not know which is the most ethical alternative. The problem of choosing an ethical option is even exacerbated when the decision maker is confronted with differing cultural values and
ethical expectations (Ahmed, Kung & Eichenseher 2003). However, the reality of today is that managers apply their ethical guiding principle based on their own moral philosophies when they are confronted with ethical issues or problems.

This moral philosophy can be very different depending on the culture. In many cases this moral philosophy can be influenced by personal living. Personal moral philosophy is depicted as one of the important factors influencing ethical decision-making in established models of business ethics (Hunt and Vitell, 1986).

Today, marketers are increasingly faced with exchange partners from cultures different from their own background, not only with respect to nationality, but also regarding political and particularly economic aspects, such as industrialization and standard of living. In view of the continuing integration into world markets of countries with rapid economic development - particularly in Asia and Eastern Europe - the need to consider cultural aspects in marketing ethics, as well as the demand for a conception of culture that embraces more than simply the nationality dimension have significantly increased (Srňka, 2004). Many companies in Puerto Rico now are looking to the European Market and the South American Market for business opportunities; these markets have a particular economics aspect. In the case of South America, culturally there are some common points like the language, but the standard of living and some others practices are very different to the Puerto Rican people. In this case, the Puerto Rican marketing managers need to understand the mentality of the South American people for doing business. In the case of the European Union, they have an extraordinary rapid economic development; the cultural and ethics aspect are very different in terms of business practice. The first difference is that Puerto Rico doesn’t have at this moment the
same rapid economic development as the European Union. Secondly, in terms of the cultural and ethics aspect, the Puerto Rican market and practices are very different in the way of conducting business; if Puerto Rico wants to make business relations with Europe, it is important to understand the way to do business in the European market.

It is more or less consistently acknowledged that different cultures produce different expectations, which become expressed in distinct ethical norms. These, in turn, influence decision-making, and may result in dissimilar behaviors (Ferrell & Gresham, 1985, p. 89). However, a comprehensive understanding of culture, values, and social norms as moderators of ethical decision-making still seems to be missing. A generally accepted terminology of culture does not exist; neither does a consistent conception of the process of ethical decision-making in the marketing ethics literature (Dubisnsky & Loken, 1989, p.103). The lack of a comprehensive theoretical framework on culture's role in marketers' ethical decision-making has inhibited the systematic development of a research agenda (Trevino, 1986, p.601).

**Culture and Marketers’ Ethical Decision-Making**

Culture is one of the most important determinants of business in today’s world, and is also a primary determinant of ethical decision-making. The culture affects how a person perceives the ethical problems, alternatives, and consequences.

“Culture influences ethical decision-making basically in two ways: directly and indirectly by interacting with other variables” (Christie Won, Stoeberl & Baumhart, 2003, p. 265). Bartels (1967) was the first to distinguish the importance of the function of culture in ethical decision-making in marketing. He notes that, contrasting cultures of different societies produce different expectations, and become expressed in the dissimilar
ethical standards of those societies. According to his model, cultural factors such as law, respect for individuality, nature of power and authority, rights of property, concept of deity, relation of the individual to the state, national identity and loyalty, values, customs, and state of the arts, are the most basic determinants of ethical standards of a society.

A fundamental premise to study the role of culture as a determinant of marketers' ethical decision-making is an understanding of the process of ethical decision-making itself and its diverse determinants. Such an understanding might be attained through a review of theoretical models of ethical decision-making in marketing (Srnska, 2004).

**Synopsis of Theoretical Models for Ethical Decision Making in Marketing**

In marketing ethics literature, a remarkable number of models can be found, which aim at explaining the process of attaining and executing a solution in ethically problematic exchange situations. Some of these models have been advanced and received enthusiastically, but none of them have been pronounced as definitive (Malhorta & Miller, 1998). The various descriptive models can be classified into: (a) total and partial models, (b) models referring to individual or organizational decision-making, and (c) models explaining ethical decisions in general business situations or in specific marketing contexts. The three total models of ethical decision-making in marketing show that internal and external factors influence marketers' ethical decision processes. Internal factors comprise the individual's ethical predispositions, stage of Cognositive Moral Development, strength of moral character, and ethical sensitivity, whereas external factors represent situational and environmental aspects (Srnska, 2004).

An integrated framework shall be developed that sets forth the role of culture as a determinant in ethical decision-making. In such a framework, the various other
determinants, which might concurrently influence the ethical decision, must not be ignored. A structured overview of the various influencing factors shall thus be given here (Srńka, 2004).

*Individual factors* - have been included in all three models. Examples of these include personal values and the belief system, religiosity, strength of moral character, ethical sensitivity, and stage of cognitive moral development. Among these stages represents a central factor determining an individual's process of deciding what is right or wrong (Trevino, 1996, p. 602). Individual factors can, generally be divided into demographics like gender, age, income, years of formal education, experience, position in organizational hierarchy, and personality, like motivations or knowledge (Kay-Enders, 1996, p. 116). Several other personality variables relevant in the context of ethical decision-making are: ego strength, field dependence, (which is the tendency to use external social referents to guide behavior), and locus of control, (the degree to which an individual exerts control over the events in life (Trevino, 1986). Other variables that have been classified as personal characteristics or individual factors in the literature, such as values (Hunt and Vitell 1991), and “attitudes and intentions” (Ferrell & Gresham, 1985, p. 88) “constitute underlying elements of decision-making rather than determinants” (Srńka, 2004, p. 8).

*Situational influences* - have been discussed by some authors who argue that ethical decisions are made within a specific situational context (Mayo & Marks 1990, p. 169). For instance, some maintain that the opportunity to engage in
potentially unethical behavior represents a major situational constraint for morality (Hunt and Vitell, 1986).

*Environmental factors* - constitute the third group of determinants treated in the literature, and represent the most relevant factor in the context of this research. Referring to the general marketing theory (Kotler, 2003, p. 158) they can be conceived as socio-cultural circumstances under which decisions are made (Singhapakdi & Vitell 1990, p. 5). In the models presented, a multitude of such influences on marketers' ethical decision-making (family, social groups, educational system, management, peers, codes of ethics/corporate policy, code/policy enforcement, etc.) have been described. The various environmental factors identified in the literature basically correspond to the distinct cultural forces suggested above, and can be systematically classified according to the four levels of culture (Srnka, 2004).

Cateora & Graham (2005) state that there are five elements that are very important in culture. These are necessary for the individuals in the areas of marketing to know. These include the following:

1. Values
2. Rituals
3. Symbols
4. Beliefs
5. Thought processes
These cultural factors need to be very carefully considered by the marketers, and kept in mind when the department prepares the product design, the distribution system and all the promotional programs.

According Srnka (2004), distinct cultural dimensions do not have the same impact on the various stages of the ethical decision process. Rather, empirical evidence suggests that the wider cultural environment has a dominant influence on the stages in or close to the affective part of the process, like values, moral perception, and moral reasoning; whereas the closer environment, particularly micro culture, seems to primarily influence the behavioral part of ethical decision-making. The fact that cross-cultural comparison of values in one study led to mixed results may be attributed to the concurrence of cultural dimensions with other determinants.

For all organizations, and especially the multinationals corporations, there is one important point to consider in order for the company to be successful. This point is the organizational climate. Today a relative consensus exists defining organizational climate; most of the researchers agree that it is a psychological construct based upon the aggregation of individual perceptions.

Many definitions of moral climate exist. Some definitions include:

1. “Shared perceptions of prevailing organizational norms for addressing issues within a moral component” (Cohen, 1995, p. 386).

2. “Psychologically meaningful molar descriptions that people can agree to characterize a system's practices and procedures” (Schneider, 1975, p. 474).

Victor and Cullen (1988) suggest that the ethical work climate of an organization assists members in determining “the perceived prescriptions, proscriptions, and permissions regarding moral obligations in organizations” (p. 101). “As a result, ethical climate weighs in heavily when organizational rhetoric is incongruent with organizational reality” (Agarwal & Malloy, 1999, p. 3).

As these cores are integrated throughout the organization's culture, they should permeate the entire strategic planning process, as well as implement strategy. While this process may be difficult to implement within a culture of one country, the multinational corporation presents a much more complex situation (Desai & Rittenburg, 1997). “Each manager should be alerted to look for potential ethical problems before they occur. In many cases, the correct decision alternative will not be obvious” (Fritzsche, 1990, p. 46).

Today some authors and researchers provide substantial literature for arriving at a conceptual frameworks to help managers in ethical decision-making but, “None of them, however, provide a comprehensive framework, which can summarize the various external forces and the internal mechanism, which can and should come into play to shape the ethicality of a decision” (Desai & Rittenburg, 1997, p.10).

Increasingly, the business environment is leaning toward a global economy. With this trend comes excitement, opportunity, and unfortunately potential for problems associated with differing attitudes and practices commonly encountered when interacting with cultures different from our own. These cross-cultural differences within the business environment are compounded when the topic of business ethics is considered (Sims & Gegez, 2004). Srnka (2004) states that upon a closer look of the review of the three most prominent models of ethical decision-making in marketing, more unfolds. Ethical
decision-making represents a fixed sequence of stages, and cultural forces represent one of the diverse factors influencing its various stages.

1. The Stages of Ethical Decision

2. Attitudes and Values

3. The “Affective - Cognitive – Behavioral” Spectrum of Ethical Decision Processes

Cultural Dimensions

Christie, Won, Stoeberl & Baumhart (2003) state Hofstede is one of the first scholars in the field of international management to develop an empirically validated typology, which affects human behavior and business organizations. He identified the following four dimensions through a combination of multivariate statistics and theoretical reasoning in his study of IBM employees around the world in the 1970s.

1) Individualism vs. collectivism: “It describes the relationship between the individual and the collectivity that prevails in a given society” (Hofstede, 1980, p. 148). “Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family” (Hofstede, 1997, p. 51). In collectivist societies the interests of the group prevails over the interests of the individual; harmony with the social environment is a key virtue (Christie, Won, Stoeberl & Baumhart, 2003). In individualist societies the family has a nuclear structure. Children are expected and encouraged to develop opinions of their own, speak their own minds and tell the truth about their feelings. Adults should learn to take direct feedback constructively. Clashes of opinions are believed to lead to
a higher truth. Parents feel proud if children take jobs at an early age to earn pocket money for their own, which they alone can decide how to spend. Children grow to be less dependent on their parents and relatives. Rarely will children share the occupations of their fathers. Individualist societies are described as guilt cultures. An individually developed conscience will guide the behavior of people who will feel guilty when they infringe upon the rules of society (Maldonado, 2001). Collectivism, on the other hand, is associated with an extended family structure. Children who grow among elders, peers, and juniors perceive themselves as part of a ‘we’. These children are seldom alone. The intense and continuous social contact demands maintaining harmony with the social environment. Confrontation is considered rude and undesirable, and personal opinions do not exist because they are predetermined by the group. In collectivist families resources are shared, and obligations to the family are not only financial but ritual. Family celebrations are important and must not be missed. Visits among family members are always welcome and need no previous appointment. Families enjoy being together. Collectivist societies are considered shame cultures. When members of a group infringe societal rules, they will feel ashamed, a feeling based upon a sense of collective obligation (Maldonado, 2001).

2) Large or small power distance: Power distance explains the way a society handles inequality among its members. It is defined as the extent to which the members of institutions, family, school, community, and organizations (places of work) within a country expect and accept that power is distributed
unequally (Hofstede, 1997, p. 28). It ranges in value from zero, for a culture with a small power distance, to about 100, for a culture with a large power distance. Power distance refers to the degree to which employees feel comfortable approaching and/or contradicting their supervisors.

Organizations within a large power distance culture centralize power. Employees are given instructions and are expected to comply, and in most cases will comply. The organizational structure is quite tall, with many layers of management. Any contact between management and employee must be initiated by management. Superiors are entitled to privileges, and any visible indication of status increases their authority. In contrast, organizations within a small power distance culture are more decentralized. Supervisors and employees are considered equal in status. The role a person plays in the organization (a manager for example) can be temporary, and is established more for convenience than an indication of superiority. The organizational structure tends to be flat and managerial perks are avoided. Employees expect that they will be consulted before decision-making and listened to when they speak (Sims & Keenan, 1999).

3) Strong or weak uncertainty avoidance: Uncertainty avoidance is defined as “The extent to which the members of a culture feel threatened by uncertain or unknown situations” Hofstede (2001, p.161). Societies in general try to alleviate this uncertainty by resorting to the domains of technology and rules, and adopting stricter codes of conduct and rituals (Christie, Won, Stoeberl & Baumhart, 2003).
Different societies have adapted to uncertainty in different ways. These ways differ not only between traditional and modern societies. Ways of coping with uncertainty are associated with the cultural heritages of societies, and they are transferred and reinforced through basic institutions such as the family, the school, and the state. They are reflected in collectively held values of the members of a particular society (Hofstede, 2001).

Individuals with high uncertainty avoidance are more concerned with security in life, feel a greater need for consensus and written rules, and are intolerant of deviations from the norm. In contrast, individuals with low uncertainty avoidance are less concerned with security, rely less on written rules, and are more risk tolerant (Hofstede, 1984). Individuals with high uncertainty avoidance are less likely to take risks, and are more intolerant of deviations from an established code of ethics. Individuals with high uncertainty avoidance believe that loyalty to culture is a virtue; whereas individuals with low uncertainty avoidance are not nearly as steadfast in this belief. Societies with weak uncertainty avoidance try to have few rules, are more tolerant of alternative opinions and behaviors, and from a religious perspective, are more accepting of different beliefs (Swaidan & Hayes, 2005).

4) Masculinity vs. femininity: Masculinity stands for a society in which social gender roles are sharply differentiated. That is, men are supposed to be assertive, tough, focused on material success, etc., while women are supposed to be tender, concerned with quality of life, etc. (Christie, Won, Stoeberl & Baumhart, 2003). According to Hofstede (1991) “Women are expected to be
modest, tender, and concerned with the quality of life.” Societies where gender roles are not clearly divided, (men and women can be tough and/or tender), are classified as feminine. The masculinity index ranges from zero, for cultures which are feminine, to 100, for cultures which are masculine. An organization within a feminine culture resolves conflicts by compromise and negotiation. Within this feminine climate, employees work to live. In a masculine culture however, the organization is more likely to resolve conflict by letting the conflicting parties fight it out; here, employees live to work (Sims & Keenan, 1999).

The chapter has reviewed the literature on culture, ethics and the implications for the marketing managers. The empirical evidence seems to confirm that exist differences in culture and ethics aspect. Chapter three of this study, the methodology, presents a detailed research design, procedures and data collection for conduct the study with the marketing managers in Puerto Rico and United States.
CHAPTER THREE: METHODOLOGY

Introduction

Cross-cultural ethics and their impact on business environments are the most important points to consider in every company that has plans to move to the international and global competition. The goal of this survey research was to examine certain cultural dimensions and ethical attitudes in Puerto Rican marketing managers. This information can help us to understand better the organizational dynamics from a different point of view. This chapter focuses on the research of the study. The researcher will provide more information regarding the research design. A description of the sample used and the instrument will also be provided, along with a discussion of the procedures for collecting and analyzing the data obtained during this research.

Research Design

This research project was written with the intention of examining whether there are any differences in the ethical attitudes of marketing managers in Puerto Rico and the United States, and whether the dimensions of power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity developed by Hofstede influenced those differences. The researcher used an index formula created by Hofstede for evaluating each of the dimensions. Several other statistical tests, mainly distributions of frequency, measures of central tendency, and t-tests were also employed to analyze the results.

The survey was conducted through Puerto Rican marketing managers’ members of the “Asociación de Ejecutivos de Ventas y Mercadeo de Puerto Rico” (SME) and marketing managers from the State of Florida who are members of the American
Marketing Association. For this study the researcher used a well-known validated instrument (Hofstede’s Values Survey Module).

Samples are drawn from Puerto Rico and the United States’ marketing managers. The study used a matched samples technique, a method advocated by cross-cultural research methodologists, where the samples of cultural groups to be compared are made as similar as possible in their demographic characteristics (Vijver & Leung, 1997, p. 27).

Selection of Subjects

A stratified convenience sample of 254 Puerto Rican and American marketing managers was used for this study. The sample from the United States consisted of 114 marketing managers employed by American business organizations in the State of Florida, and those business organizations were required to be members of the American Marketing Association. For this study the researcher selected the Chapter of South Florida, which has 215 members. The president of the chapter sent the petition for participants in the study by the Newsletter of the organization, (See Appendix F). The Puerto Rican sample was composed of 140 Puerto Rican marketing managers working in Puerto Rican business organizations; all are members of the SME of Puerto Rico. The SME of Puerto Rico has 715 members. The sample represents a population of approximately 1,000 marketing managers in the United States and Puerto Rican business organizations. For such a population, a sample of no less than 252 individuals is needed to allow for a .05 sampling error (Suskie, 1996).

In the SME and in the AMA, the researcher contacted the person in charge of the organization for establishing the criteria for selecting participants according to the following requirements:
a. Participants must be members of the organization.

b. Participants must be marketing managers.

**Instrumentation**

The instrument consists of three sections. The first section is composed of 20 content questions from the Value Survey Module 1994 developed by Geert Hofstede to compare culturally determined values between people of two or more countries. These 20 content questions allow us to compute scores on four dimensions of national value systems. There are four content questions for each of the cultural dimensions studied, and all content questions are scored on a five-point scale (Christie, Won, Stoeberl & Baumhart, 2003).

The first section of the instrument consists of a Likert scale (where 1 = utmost importance, 2 = very important, 3 = moderate importance, 4 = little importance, 5 = very little or no importance). The instrument contains 18 questions regarding work values that are utilized to determine the individualism/collectivism and masculinity/femininity and dimensions.

The second section measures the ethical attitudes of respondents. Researchers believe that it is difficult to get accurate empirical data on ethical attitudes and behavior of respondents, since business ethical decisions involve complex, multidimensional issues (personal as well as business), and it is impossible to address and control all the variables in a questionnaire. In the past, vignettes have been found to be one of the most effective data collection techniques for ethics research, since they help to standardize a series of independent variables. For this research, vignettes were used mainly to obtain
data on business-ethical attitudes of respondents (Christie, Won, Stoeberl & Baumhart, 2003).

There are three parts to the second section. The first part lists eight statements and asks for the opinion of respondents on a five-point scale. Most of these statements were culled either from the reports of interviews that Baumhart had with business executives, or from the questionnaire that he used for his study (Christie, Won, Stoeberl & Baumhart, 2003). The second part of this section consists of twelve vignettes - one each on twelve questionable business practices that are commonly faced by individuals in business. The third part comprises questions on respondents' understanding of the concept “ethical”; their perception of the degree of importance given by their respective companies to different stakeholder groups; and their opinion regarding the influence of different factors (personal, organizational, national) on business managers to make unethical decisions (Christie, Won, Stoeberl & Baumhart, 2003).

The third section of the questionnaire contains demographic questions, such as respondents’ gender, age, present nationality, nationality at birth, level of education and occupation (Christie, Won, Stoeberl & Baumhart, 2003).

For each of the variables developed by Hofstede exist an index formula for calculating: for power distance the formula is PD = -35m(03) + 35 m(06) + 25 m(14) - 20m(17) - 20, where, m(03) is the mean score for question 3, m(06) is the mean score for question 6, m(14) is the mean score for question 14, and m(17) is the mean score for question 17. For uncertainly avoidance the formula is UA = 25m(13) + 20m(16) – 50m(18) - 15m(19) +120, where, m(13) is the mean score for question 13, m(16) is the
mean score for question 16, m(18) is the mean score for question 18, and m(19) is the mean score for question 19. For individualism vs. collectivism the formula is $IDV = -50m(01) + 30m(02) + 20m(04) - 25m(08) + 130$, where m(01) is the mean score for question 01, m(02) is the mean score for question 02, m(04) is the mean score for question 04, and m(08) is the mean score for question 08. For masculinity vs. femininity the formula is $MAS = 60m(05) - 20m(07) + 20m(15) - 70m(20) + 100$, where, m(05) is the mean score for question 05, m(07) is the mean score for question 07, m(15) is the mean score for question 15, and m(20) is the mean score for question 20 (Hofstede, 2001).

Written permission to utilize the instrument was obtained from the author through the publishing company (Appendix A).

Questionnaires were administered to all the participants in English, in the case of Puerto Rico, although the Spanish language is the first language of the country, English is the second language and is very well understood, especially in the managerial positions, where there is a job requirement to speak and write in English.

The VSM 94 is a test designed for comparing mean scores of matched samples of respondents across two or more countries, regions, or ethnic groups. The reliability of a cross-country test can be tested only across countries, but this presupposes data from at least some 15 countries. Cronbach alpha reliability coefficients across individuals are irrelevant. However, the reliability of an instrument is implicitly tested through its proven validity. An unreliable test cannot produce valid results, so if validity is proven, reliability can be assumed. Validity is shown through significant correlations of test results with outside criteria related to the test scores by some kind of theory or logic. In
this way reliability of the VSM 94, even for smaller numbers of countries, can be proven indirectly (Hofstede, 2001). For this study the researcher will not be pre-testing the questionnaire because the instrument is an existing instrument, which already had been tested for its validity and reliability. The questionnaire used was not tested for the first section - VSM 94. The focus of this section measures primarily the ethical attitudes of business managers (Christie, Won, Stoeberl & Baumhart, 2003).

Reliability of the instrument was determined by calculating stability coefficients. These coefficients were computed as rank correlations of mean country scores between the first and the second survey rounds. Hofstede considered scores exceeding .50 as reasonably stable.

The following alpha values were obtained, which are well above the threshold for acceptability; 0.77 for section 1 (VSM 94), 0.76 for section 2 (vignettes alone), and 0.72 for the entire section 2 (Christie, Won, Stoeberl & Baumhart, 2003).

**Assumptions or Limitations**

There might be objections to the comparison of the data obtained by Hofstede during the years of 1967 to 1973 and today in terms of time and sample. During that study Hofstede used only one multinational corporation with subsidiaries around the world; the present study involves only marketing managers employed by diverse organizations in Puerto Rico and the United States. The samples are not similar; however, the cultural dimensions identified by Hofstede have been confirmed once and again by a number of studies conducted worldwide during time.

To deal with the time factor, a group of American marketing managers were part of the sample. Since the United States was included in the original study, the present
American sample will supply an anchoring point. The difference in dimension scores between Puerto Rico and the U.S. was used to compute scores and determine if there exist any differences in the ethical attitudes of marketing managers in Puerto Rico and the United States, and whether the four dimensions of Hofstede (individualism, power distance, uncertainty avoidance and masculinity) influence these variations.

Procedures

For this study the researcher used members of SME of Puerto Rico and members of the American Marketing Association (South Florida Chapter). They represent different business sectors in Puerto Rico and Florida. For this study telephone and e-mail contacts were made with the President of the SME of Puerto Rico, and the President of the Chapter of the AMA in South Florida. The questionnaire was submitted in Puerto Rico to all the members by sending an e-mail with a letter of intention and a link to connect to the questionnaire. For sending all the e-mails, the Association brings to all the members a book with the company name, address, position, and an e-mail account.

In the United States, the questionnaire was submitted to Mr. Jay Berkowitz, the President of the Chapter of South Florida, for analysis. Then the authorization was given to place the information in the newsletter of the organization. The newsletter was sent by the organization to all the members of the American Marketing Association in the South Florida Chapter.

The instrument was accompanied by a letter to the contact persons (Appendix B) stating the purpose of the study, instructing them to secure institutional permission, and specifying the requirements for selecting participants. A letter requesting institutional
consent (Appendix C) was also included. The questionnaire also included a cover letter addressed to the participants (Appendix D).

The purpose of the study was explained, and an estimation of the time it would take to fill out the questionnaire was given (approximately 15 to 20 minutes). The questionnaire included instructions that stressed marking answers and providing only one answer in each horizontal line or multiple-choice question. The letter stated that filling and returning the instrument would express consent. The letter also provided an address to request the results of the study.

When the person finished filling the questionnaire in the computer, they simply marked “send” in the button of the questionnaire and the answer was automatically passed to a database in excel. After two weeks, the researcher sent another e-mail to remind the contact persons of the importance of the questionnaire, and allowed two more weeks to complete the process.

Data Processing and Analysis

The purpose of processing and analyzing the data obtained in this study empirically was to differentiate ethical attitudes among marketing managers in the United States and Puerto Rico, and to show whether these variations were influenced by cultural dimensions identified by Hofstede.

Hypothesis

H1: There is no difference in the ethical attitudes among marketing managers in the United States and Puerto Rico.

H10: There are no differences in the ethical attitudes among marketing managers in the United States and Puerto Rico.
H1a: There is a statistically significant difference in the ethical attitudes among marketing managers in the United States and Puerto Rico.

For this hypothesis, the participants were asked to express their opinion on seven statements on business-ethical attitudes. They had a Likert Scale with five-points where: 1 means (strongly agree) and 5 (strongly disagree). For this hypothesis, the researcher used a t-test to determine if there is a significant difference between the ethical attitudes among marketing managers between two countries on both sets of variables (p < 0.05).

H2: There is no difference between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers in countries with a high collectivism score.

H20: There are no differences between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ ethical attitudes in countries with a high collectivism score.

H2a: There is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ ethical attitudes in countries with a high collectivism score.

For this hypothesis, the researcher used a t-test to determine if there was a significant difference between the ethical attitudes of marketing managers in the United States and the ethical attitudes of marketing managers in Puerto Rico.

H3: There is no difference between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power distance score.
H3o: There are no differences between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power distance score.

H3a: There is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power distance score.

For this hypothesis, the researcher used a t-test to determine if there was a significant difference between the ethical attitudes of marketing managers in the United States and the ethical attitudes of marketing managers in Puerto Rico.

H4: There is no difference between marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance.

H4o: There are no differences between marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance.

H4a: There is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance than the marketing managers’ attitudes from countries with a low score in uncertainty avoidance.

For this hypothesis, the researcher used a t-test to determine if there was a significant difference between the ethical attitudes of marketing managers in the United States and the ethical attitudes of marketing managers in Puerto Rico.

H5: There is no difference between marketing managers’ ethical attitudes in countries
with a high masculinity score and the marketing managers’ attitudes in countries with high femininity scores.

H5₀: There are no differences between marketing managers’ ethical attitudes in countries with a high masculinity score and the marketing managers’ attitudes in countries with high femininity scores.

H5ₐ: There is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high masculinity score and the marketing managers’ attitudes in countries with high femininity scores.

For this hypothesis, the researcher used a t-test to determine if there was a significant difference between the ethical attitudes of marketing managers in the United States and the ethical attitudes of marketing managers in Puerto Rico.

Selection of Variables

The variables used in the study are classified as follows:

I. Independent Variables
   a. Age
   b. Gender
   c. Nationality

II. Dependent Variables
   a. Ethical attitudes of marketing managers
   b. Individualism/collectivism dimension
   c. Power distance dimension
   d. Uncertainty avoidance dimension
   e. Masculinity/femininity dimension
Description of the Variables

A description of each variable, including information on its appropriateness and rational for use in this study now follows:

Age: The whole duration of a being, whether animal, vegetable, or other kind; lifetime.

Gender: The distinction by sex, when babies are born, they are qualified by sex as male or female.

Nationality: A race or people, as determined by common language and character, and not by political bias or divisions.

Ethical attitudes of marketing managers: What marketing managers think is good or bad.

Power distance dimension: “Theory of how a society deals with the fact that people are unequal in physical and intellectual capabilities” (Hill, 2005, p. 702).

Uncertainty avoidance dimension: “Extent to which cultures socialize members to accept ambiguous situations and to tolerate uncertainty” (Hill, 2005, p. 704).

Individualism/collectivism dimension: “Theory focusing on the relationship between the individual and his or her fellows” (Hill, 2005, p. 700).


The Survey

Simple descriptive statistics of variables were obtained to achieve a general understanding of the characteristics of respondents. An independent t samples t-test
procedure was used to test Hypothesis 1 to 5; namely differences in ethical attitudes of business managers across Hofstede's 4 cultural dimensions.

Value of the Study

First, a lot of studies in marketing actually exist, but very few regarding the empirical study of whether there exist any differences in the ethical attitudes in marketing managers and whether those variations are influenced by the dimensions in culture identified by Hofstede.

Second, for this study the United States and Puerto Rico were used. For the marketing managers of Puerto Rico, this study served for determine if differences in ethical attitudes between the marketing managers in the United States and the marketing managers in Puerto Rico exist, or if a process of some kind of acculturation exists in Puerto Rico. This information can be used to create strategies for the company.

The results of this chapter are interpreted in chapter four. The results, demographic information of Participants, the t-test for each one of the hypothesis and de index of culture according to Hofstede are also presented in the chapter four.
CHAPTER FOUR: FINDINGS

Restatement of the Purpose

In today’s world, culture plays an important and significant role in the ethical attitudes of marketing managers; different cultural backgrounds influence individuals' ethical reasoning. Furthermore, each culture perceives the world from a very different point of view. These cultural differences make it necessary, now more than ever, for business people to consider these ethical attitudes and cultural differences in this new era of globalization. Due to this phenomenon of the globalization of markets and businesses, and a large increase in the ethical conflicts faced by marketing managers in medium and large companies around the world, it has become imperative to know what impact culture has on the ethics, especially in the four dimensions of Hofstede.

As an initial effort to explore that impact, especially in Puerto Rico, the main objective of the study was to test if there are any differences in the ethical attitudes of marketing managers in Puerto Rico and the United States, and to test whether the four dimensions of Hofstede (individualism, power distance, uncertainty avoidance, and masculinity) influence these variations. The findings of this study provide important information for further research on the impact of cultural differences on marketing manager’s behavior and the process of acculturation, and how these work-environment differences impact the cultural dimensions according to Hofstede.

In order to explore if any difference exists between the marketing managers in Puerto Rico and the United States, the study relied on a statistical analysis using the t-test, distributions of frequency, f values, measures of central tendency, and a index formula created by Hofstede for evaluating each of the dimensions. Five hypotheses were
submitted. The t-test analysis was conducted to determine if any significant difference exists between the ethical attitudes among marketing managers in the United States and Puerto Rico. The index formula, created by Hofstede, was used for calculating the index score in each country. SPSS Graduate Package Base 12.0 was used to compute the results.

The chapter provides the results of the above tests. First, a restatement of the four hypotheses, both in the null and alternate forms, was necessary.

Hypothesis 1:

H1₀: There are no differences in the ethical attitudes among marketing managers in the United States and Puerto Rico.

H1ₐ: There is a statistically significant difference in the ethical attitudes among marketing managers in the United States and Puerto Rico.

Hypothesis 2:

H2₀: There are no differences between marketing managers’ ethical attitudes in countries with a high individualism/collectivism score and the marketing managers’ ethical attitudes in countries with a high collectivism score.

H2ₐ: There is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high individualism/collectivism score and the marketing managers’ ethical attitudes in countries with a high collectivism score.
Hypothesis 3:

H₃₀: There are no differences between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power distance score.

H₃ₐ: There is a statistically significant difference in marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power distance score.

Hypothesis 4:

H₄₀: There are no differences between marketing managers’ ethical attitudes in countries with a high score and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance.

H₄ₐ: There is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high score than the marketing managers’ attitudes from countries with a low score in uncertainty avoidance

Hypothesis 5:

H₅₀: There are no differences between marketing managers’ ethical attitudes’ in countries with a high masculinity and the marketing managers’ attitudes in countries with high femininity scores.

H₅ₐ: There is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high masculinity and the marketing managers’ attitudes in countries with high femininity scores.
Results

The survey was conducted through Puerto Rican marketing manager’s members of the Association of Marketing Executives of Puerto Rico and marketing managers from the State of Florida who are members of the American Marketing Association. For this study the researcher used a well-known validated instrument (Hofstede’s Values Survey Module). The questionnaires were sent to all the members of the American Marketing Chapter in South Florida and to all the members of the Association of Marketing in Puerto Rico. A total of 1,000 questionnaires were sent via e-mail accounts. A total of 254 questionnaires were recollected between Puerto Rico and the United States. This represented 25.4 percent of all the population. From this, 140 were Puerto Rico marketing managers and 114 were American marketing managers.

The first part of this chapter presents some demographic data of the participants, like age, education, level of education, and job position. The second part consists of the use of the t-test analysis. The result of the first hypotheses submitted above is presented first. This presentation is followed by the results of the t-test for the hypotheses two to five.

Demographic Information of Participants

A homogeneous sample with respect to occupation classifications was developed in order to obtain one perspective from the marketing managers. Two hundred and fifty four questionnaires were collected between the United States and Puerto Rico. In the United States, from the American Marketing Association – South Florida Chapter; in Puerto Rico from the members of the Association of Executives of Marketing and Sales of Puerto Rico.
The Puerto Rican sample was divided between marketing managers and marketing and sales managers, because in many companies the manager of the marketing department also is the manager of the sales department. The sample of marketing managers was 89; this represents 64 percent. The marketing and sales managers make up 51, and this sample represents 36 percent. The sample of the United States also was divided in marketing managers and marketing and sales managers. The marketing managers make up 74; this represents 65 percent; the marketing and sales managers make up 40 percent, and these samples represent 35 percent. Table 1 summarizes the classification of the sample of Puerto Rico and the United States.

Table 1

*Classification of the Sample of Puerto Rico and the United States*

<table>
<thead>
<tr>
<th></th>
<th>Marketing Managers</th>
<th>Marketing and Sales Managers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>74</td>
<td>40</td>
<td>114</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>89</td>
<td>51</td>
<td>140</td>
</tr>
<tr>
<td>Total</td>
<td>163</td>
<td>91</td>
<td>254</td>
</tr>
</tbody>
</table>
Age Categories

The sample was also divided into seven different age categories. In the group of Puerto Rican marketing managers, the sample was divided as follows: 0.00 percent was 20-24 years old; 4 percent were 25-29 years old; 18 percent were 30-34 years old; 16 percent were 35-39 years old; 46 percent were 40-49 years old; 15 percent were 50-59 years; and 1 percent was 60 or over.

In the United States group, 2 percent were 20-24 years old; 9 percent were 25-29 years old; 9 percent were 30-34 years old; 16 percent were 35-39 years old; 47 percent were 40-49 years old; 12 percent were 50-59 years; and 5 percent were 60 or over. Table 2 summarizes the classification of different age categories of Puerto Rico and the United States.

Table 2

<table>
<thead>
<tr>
<th>Age Categories</th>
<th>20-24</th>
<th>25-29</th>
<th>30-34</th>
<th>35-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60 or over</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>2</td>
<td>10</td>
<td>10</td>
<td>18</td>
<td>54</td>
<td>14</td>
<td>6</td>
<td>114</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>1</td>
<td>5</td>
<td>25</td>
<td>22</td>
<td>64</td>
<td>21</td>
<td>2</td>
<td>140</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>15</td>
<td>35</td>
<td>40</td>
<td>118</td>
<td>35</td>
<td>8</td>
<td>254</td>
</tr>
</tbody>
</table>
Education Categories

The sample was also divided into eight different years of education. In the Puerto Rican group, the sample was divided as follows: .0 percent had 10 years or less of education; 1 percent had 11 years of education; .7 percent had 12 years of education; 1 percent had 14 years of education; 5 percent had 15 years of education; 16 percent had 16 years of education; 4 percent had 17 years of education; and 71 percent had 18 years or more of education. In the Puerto Rican marketing managers group, we can observe that most of the marketing managers had at least 18 years of formal education, which means that in the case of the Puerto Rican marketing managers, most of them have a bachelor’s or master’s degree.

In the United States group, 3 percent had 10 years or less of education; 0 percent had 11 years of education; .8 percent had 12 years of education; 0 percent had 14 years of education; 4 percent had 15 years of education; 21 percent had 16 years of education; 14 percent had 17 years of education; and 58 percent had 18 years or more of education. The above information suggests overall high educational levels among the middle managers sampled in this study. In the group of the United States marketing managers, we can observe that 58 percent of the marketing managers had at least 18 years of formal education, which means that in the case of the United States, they also had a bachelor or master’s degrees. There is a small amount of difference between the level of education of the marketing managers in Puerto Rico and the level of education of the marketing managers in the United States. In this study, the sample of the Puerto Rican marketing managers appeared to be more educated than the United States.
Table 3 summarizes the classification of different education categories of Puerto Rico and the United States.

Table 3

*Classification of Different Education Categories Puerto Rico and the United States*

<table>
<thead>
<tr>
<th></th>
<th>10 Years or Less</th>
<th>11 Years</th>
<th>12 Years</th>
<th>14 Years</th>
<th>15 Years</th>
<th>16 Years</th>
<th>17 Years</th>
<th>18 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>4</td>
<td>24</td>
<td>16</td>
<td>66</td>
<td>114</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>22</td>
<td>5</td>
<td>100</td>
<td>140</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>11</td>
<td>46</td>
<td>21</td>
<td>166</td>
<td>254</td>
</tr>
</tbody>
</table>

*Results of the t – test Analysis*

The t-test analysis was conducted to determine if any significant difference exists between the Puerto Rican and American marketing managers. To explore if there was any difference in the ethical attitudes, the questionnaire provided seven statements regarding the ethical aspect (Appendix G).

The statements regarding ethics were used as the dependent variables, and the question regarding the country in which they worked was used as the independent
variable. The following are the results for each one of the questions. The following are the results of the tests of the hypotheses above.

*Test of Hypothesis 1*

For measuring the ethical attitudes of respondents, the researcher used seven statements related to ethics. Vignettes have been found to be one of the most efficient data collection techniques for ethics research, because they help to standardize a series of variables. The results of those statements are presented in Table 4.

Table 4

*Ethics t-test for Equality of Variances*

<table>
<thead>
<tr>
<th></th>
<th>T-test for Equality of Means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>T</td>
</tr>
<tr>
<td>Ethics</td>
<td>1.656</td>
</tr>
</tbody>
</table>

*p < .05

This first result on ethics suggests that no significant differences exist at *p < .05, in the ethical attitudes among marketing managers in the United States and Puerto Rico. This means that the perceptions in the ethics aspect for the marketing managers in Puerto Rico and the perceptions of the marketing managers in the United States were very similar. Based on this analysis, H1a, which states that there is a statistically significant difference in the ethical attitudes among marketing managers in the United States and Puerto Rico, was rejected in favor of the null hypothesis, H10.
Individualism/Collectivism Index

Using the index formula developed by Hofstede for calculating the individualism vs. collectivism: $IDV = -50m(01) + 30m(02) + 20m(04) - 25m(08) + 130$, where $m(01)$ is the mean score for question 01, $m(02)$ is the mean score for question 02, $m(04)$ is the mean score for question 04, and $m(08)$ is the mean score for question 08, the following results were found (Appendix H).

Table 5
Individualism/Collectivism Index Puerto Rico /USA

<table>
<thead>
<tr>
<th>Country</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puerto Rico</td>
<td>84.45</td>
</tr>
<tr>
<td>United States</td>
<td>92.5</td>
</tr>
</tbody>
</table>

This result showed that Puerto Rico and the United States marketing managers had a high score on the individualism /collectivism score, but the Untied States had a higher index score than Puerto Rico. This means that Puerto Rico and the United States are countries with a high individualist index, but based on this index, the United States was shown to be more individualistic than the Puerto Rican marketing managers. In the individualist country, people refer to fostering autonomy and personal achievement, and also promote self-expression and individual thinking. This result in the index is very similar to what Hofstede found in the first study; he found an index score of 91 for the United States. Now, the researcher found a slight increase in the index score - 92.5, a difference of 1.5.
Test of Hypothesis 2

For testing hypothesis two, the researcher used a t-test to determine if there was a significant difference between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ in countries with a high collectivism score. Four statements of the questionnaire were used to calculate the Individualism/Collectivism score in the United States and Puerto Rico. The results are presented in table 6.

Table 6

*Individualism/Collectivism t-test for Equality of Variances*

<table>
<thead>
<tr>
<th>t-test for Equality of Mean:</th>
<th>t</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualism / Collectivism</td>
<td>.893</td>
<td>.373</td>
<td>.068</td>
</tr>
</tbody>
</table>

*p < .05

These results related to Individualism/Collectivism suggested that there were no significant differences at *p < .05, between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ ethical attitudes in countries with a high collectivism score. Based on this analysis, H2a, which states there is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ ethical attitudes in countries with a high collectivism score, was rejected in favor of the null hypothesis, H20.
Power Distance Index

Using the index formula, developed by Hofstede for calculating the score of Power Distance:  
PD = -35m(03) + 35 m(06) + 25 m(14) - 20m(17) - 20, where, m(03) is the mean score for question 3, m(06) is the mean score for question 6, m(14) is the mean score for question 14, and m(17) is the mean score for question 17, the following results were found (Appendix I).

Table 7

<table>
<thead>
<tr>
<th>Country</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puerto Rico</td>
<td>62</td>
</tr>
<tr>
<td>United States</td>
<td>64</td>
</tr>
</tbody>
</table>

These results show that the Puerto Rico and the United States marketing managers had a high score on the Power Distance score, but the Puerto Rican marketing managers had a lower index score than the United States. This means that in Puerto Rico and in the United States, marketing managers perceived their work to be very centralized; they received the orders and were expected to comply. In Hofstede’s first study, he found that the United States had a power distance of 40, which is catalogued as a low power distance. In the present study, the researcher found a score of 64 for the United States, which is catalogued as high; a slight difference exists between the original study and the actual study. The causes of the differences may be the sample size of the first study and this study. Another factor may be the position of the employees in the organization. In
this study the samples are only marketing managers, and they can perceive their work and their position very different from another’s position in the organization.

Test of Hypothesis 3

For testing hypothesis three, the researcher used a t-test to determine if there was a significant difference between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power distance score. Four statements of the questionnaire were used to calculate the Power Distance in the United States and Puerto Rico. The results are presented in table 8.

Table 8

Power Distance t-test for Equality of Variances

<table>
<thead>
<tr>
<th></th>
<th>t-test for Equality of Mean:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
</tr>
<tr>
<td>Power Distance</td>
<td>.442</td>
</tr>
</tbody>
</table>

*p < .05

These results of the power distance suggest that there are no differences at *p < .05, between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power score. Based on this analysis, H3a, which states there is a statistically significant difference between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power score, was rejected in favor of the null hypothesis, H30.
**Uncertainty Avoidance Index**

Using the index formula, developed by Hofstede for calculating the score of uncertainty avoidance: 

\[ UA = 25m(13) + 20m(16) - 50m(18) - 15m(19) + 120, \]

where, \( m(13) \) is the mean score for question 13, \( m(16) \) is the mean score for question 16, \( m(18) \) is the mean score for question 18, and \( m(19) \) is the mean score for question 19, the following results were found (Appendix J).

Table 9

**Uncertainty Avoidance Index Puerto Rico / USA**

<table>
<thead>
<tr>
<th>Country</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puerto Rico</td>
<td>61</td>
</tr>
<tr>
<td>United States</td>
<td>48.25</td>
</tr>
</tbody>
</table>

These results show a different index score for Puerto Rico and the United States marketing managers. Puerto Rican marketing managers had a higher index score than the marketing managers in the United States. This means that as a group, Puerto Rican marketing managers have a greater degree of uncertainty avoidance than American middle managers. Countries with the cultural inheritance of the Roman Empire tend to exhibit higher Uncertainty Avoidance levels. A unified legal system and a formal system of control of its territories constituted an uncertainty avoidance pattern that had a lasting impact on countries related to this empire. These countries usually display a higher need for legislation, and the citizens tend to feel more dependent on authority.

Moreover, according to Hofstede (1980), countries with a Roman Catholic background also show higher Uncertainty Avoidance Indices. Catholicism emphasizes
life after death, and certainties like the uniqueness of the Church and the infallibility of the Pope. The religious background may account better for the low Uncertainty Avoidance Index of this sample. Hofstede (1980) concluded that countries with a Protestant cultural inheritance, which is the case of the U.S., tend to display lower Uncertainty Avoidance Indices, partly due to the fact that these countries emphasize the use of more worldly and pragmatic ways to cope with uncertainty, including technology and law (Maldonado 2001).

Test of Hypothesis 4

For testing hypothesis four, the researcher used a t-test to determine if there was a significant difference between marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance. The results are presented in table 10.

Table 10

<table>
<thead>
<tr>
<th>Uncertainty Avoidance</th>
<th>t-test for Equality of Mean:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>-3.88</td>
<td>.000</td>
</tr>
</tbody>
</table>

*p < .05

Interesting data were obtained through the analysis of the Uncertainty Avoidance. This result suggested that there were differences at *p < .05, between marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance. Based on this analysis, H40, which states that there are no differences between
marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance, was rejected in favor of the alternate hypothesis, H4a.

*Masculinity / Femininity Index*

Using the index formula, developed by Hofstede for calculating the score of Masculinity / femininity: \( \text{MAS} = 60m(05) - 20m(07) + 20m(15) - 70m(20) + 100 \), where, \( m(05) \) is the mean score for question 05, \( m(07) \) is the mean score for question 07, \( m(15) \) is the mean score for question 15, and \( m(20) \) is the mean score for question 20, the following results were found (Appendix K).

Table 11

<table>
<thead>
<tr>
<th>Country</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Puerto Rico</td>
<td>60</td>
</tr>
<tr>
<td>United States</td>
<td>45</td>
</tr>
</tbody>
</table>

These results show a different index score for Puerto Rico and the United States marketing managers; Puerto Rican marketing managers had a higher index score than the marketing managers in the United States. This means that as a group, Puerto Rican marketing managers had a greater degree of masculinity than the American marketing managers. These high scores in this index would indicate that men were more assertive and concerned in the economic aspect, while women were supposed to be more concerned with the quality of life issues and taking care of others. This is very similar to what Hofstede found in his study; he found that countries very near to the equator tend to be more
masculine than feminine. That is the case of Puerto Rico, a small island very near to the line of the equator. On the other side, Hofstede found that colder countries with Protestant cultures, and very distant from the equator tend to be more feminine. The United States, in this study, had an average score of 45; this can be perceived that both men and women are supposed to be tender and concerned with the quality of life.

*Test of Hypothesis 4*

For testing hypothesis five, the researcher used a t-test to determine if there was a significant difference between marketing managers’ ethical attitudes in countries with a high masculinity score than the marketing managers’ attitudes in countries with high femininity scores. The results are presented in table 12

**Table 12**

**Masculinity / Femininity Statements**

<table>
<thead>
<tr>
<th>Masculinity / Femininity</th>
<th>t-test for Equality of Mean:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
</tr>
<tr>
<td>Masculinity / Femininity</td>
<td>1.17</td>
</tr>
</tbody>
</table>

*p < .05

These results related to Masculinity / Femininity suggested that there were no differences at *p < .05, between marketing managers’ ethical attitudes in countries with a high masculinity score and the marketing managers’ attitudes in countries with high femininity scores. Based on this analysis, H5a, which states there is a statistically significant difference between marketing managers’ ethical attitudes in countries with a
high masculinity score and the marketing managers’ attitudes in countries with high femininity scores, was rejected in favor of the null hypothesis, $H_{50}$.

Summary of Results

In this chapter, the results of the comparison of the ethical attitudes of marketing managers in Puerto Rico and the United States are listed.

First, the results suggested that there was not a statistically significant relationship between the ethical attitudes of the marketing managers in Puerto Rico and the United States. It appears that the ethical attitudes of the Puerto Rican and the American marketing managers are very similar.

Secondly, in the individualism/collectivism score, the results suggested that there was not a statistically significant relationship between the marketing managers’ ethical attitudes in countries with a high individualism/collectivism score and the marketing managers’ ethical attitudes in countries with a high collectivism score. In the case of the index score developed by Hofstede, the results suggested that Puerto Rico and the United States marketing managers had a high score in the individualism score, but the United States has a higher index score than Puerto Rico.

Thirdly, in the power distance, the results suggested that there was not a statistically significant relationship between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power score. In the case of the index score developed by Hofstede, the results suggested that Puerto Rico and the United States marketing managers had a high score in the power distance score; the United States had a (64) and the Puerto Rican marketing managers had a lower index score of (62).
Fourthly, in uncertainty avoidance, the results suggested that there was a statistically significant relationship between marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance. In the case of the index score developed by Hofstede, the results suggested that a difference exists between the Puerto Rico and the United States marketing managers in the perception of the uncertainty avoidance. The Puerto Rican marketing managers appeared to have a higher score than the marketing managers in the United States. According to Hofstede (1984), individuals with high uncertainty avoidance score were more concerned with security in life, felt a greater need for consensus and written rules, and were intolerant of deviations from the norm. In contrast, individuals with low uncertainty avoidance scores were less concerned with security, relied less on written rules, and were more risk tolerant. This characteristic can be observed in the Puerto Rican culture, a society that needs written rules and security in life.

Fifthly, in the masculinity / femininity index, the results on the four statements related to masculinity / femininity suggested that there were no differences between marketing managers’ ethical attitudes in countries with a high masculinity score than the marketing managers’ attitudes in countries with high femininity scores.

In the score index developed by Hofstede, the results showed different index scores for Puerto Rico and the United States marketing managers; Puerto Rican marketing managers had higher index score than the marketing managers in the United States. This means that as a group, Puerto Rican marketing managers had a greater degree of masculinity than the American marketing managers. These high scores in this index
would indicate that men were more assertive and concerned in the economic aspect, while women were supposed to be more concerned with the quality of life issues and taking care of others. The results of this chapter are interpreted in chapter five. The summary, conclusions and suggestion for future research are also presented in the chapter five.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study of cultural differences and ethical aspects in one country, and how they influence the personal and organizational behavior is of great concern among researchers, managers, and marketing managers around the world. Today, marketers are increasingly faced with exchange partners from cultures different from their own background (not only with respect to nationality, but also regarding political and particularly economic aspects, such as industrialization, standard of living, etc.). In view of the continuing integration into world markets of countries with rapid economic development, the need to consider cultural aspects in marketing ethics, as well as the demand for a conception of culture that embraces more than simply the "nationality" dimension, have significantly increased (Srnka, 2004).

Due to the process of the globalization and the interaction between the countries it is very imperative, more than ever, that managers have another tool for work in this changing environment. This tool is the comprehension of the cultural and ethical values and exploration of the possibility of differences existing between the two countries.

It was the intention of the present study to investigate if there were any differences in the ethical attitudes of marketing managers in Puerto Rico and the United States, and whether or not the four dimensions of Hofstede (individualism, power distance, uncertainty avoidance, and masculinity) influenced these variations.

In order to investigate these issues, the researcher used an index formula created by Hofstede for evaluating each of the four dimensions. The formulas used were: for power distance the formula was $PD = -35m(03) + 35 m(06) + 25 m(14)-20m(17)-20$, for
uncertainly avoidance the formula was $UA = 25m(13) + 20m(16) - 50m(18) - 15m(19) + 120$, for individualism vs. collectivism the formula was $IDV = -50m(01) + 30m(02) + 20m(04) - 25m(08) + 130$, and for masculinity vs. femininity the formula was $MAS = 60m(05) - 20m(07) + 20m(15) - 70m(20) + 100$. Several other statistical tests (mainly distributions of frequency, measures of central tendency and t-tests) were also employed to analyze the results.

The first hypothesis investigated the ethical attitudes among marketing managers in the United States and Puerto Rico. The others four hypotheses are related to the four dimensions developed by Hofstede, which were categorized into four hypotheses, where each one addressed a particular relationship between the ethical attitudes in the country. The results of the tests of the first hypothesis suggested that a significant difference did not exist in the ethical attitudes among marketing managers in the United States and Puerto Rico. This means that the perception in the ethics aspect for the marketing managers in Puerto Rico and the perception of the marketing managers in the United States were very similar. This suggested that the Puerto Rican can be acculturated by the American Culture, due to the long relationship (1898-present). This represented more than a century of business and political relations. Also, the political relationship between Puerto Rico and the United States may have had an influence; this type of acculturation was very frequent in the Colonies. Some historians argue that Puerto Rico is a Colony of the United States. These results may suggest that relationship. Another important point is that in Puerto Rico today many companies exist from the United States, and also some native companies are directed by CEO’s that came from the United States. This presence
in the island may influence the ethical attitudes of the marketing managers of Puerto Rico.

The results of the second hypothesis also suggested that no significant difference exists between marketing managers’ ethical attitudes in countries with a high individualism score and the marketing managers’ ethical attitudes in countries with a high collectivism score. Using the index formula developed by Hofstede for calculating the individualism vs. collectivism the results showed that Puerto Rico exhibited a score of 84 on the individualism index, and the United States marketing managers exhibited a score of 92. These scores were perceived as a high score on the individualism score. In the individualist country, people refer to fostering autonomy and personal achievement, and also promote self-expression and individual thinking. This result in the index is very similar to what Hofstede found in the first study; he found an index score of 91 for the United States. He also found that colder climates and capitalist economies promote individualism by emphasizing individual initiative. This result constitutes an overall tendency towards an individualism society in Puerto Rico and in the United States.

The results of the third hypothesis also suggested that there were no differences between marketing managers’ ethical attitudes in countries with a high power distance score and the marketing managers’ attitudes in countries with a low power distance score. Using the index formula, developed by Hofstede for calculating the score of the power distance, the results showed that Puerto Rico exhibited a score of 62 on the power distance index, and the United States marketing managers exhibited a score of 64. These results showed that Puerto Rico and the United States marketing managers had a high
score on the power distance score, but the Puerto Rican marketing managers had a lower index score than the United States.

This means that in Puerto Rico and in the United States marketing managers perceived their work to be very centralized, they received the orders and were expected to comply. In Hofstede’s first study, he found that the United States had a power distance of 40, which is catalogued as a low power distance. In the present study, the researcher found a score of 64 for the United States, which is catalogued as high score. A difference exists between the index in the original study and the index in the actual study. The cause of those differences may be the sample size of the first study and this study. Another factor that may influence the results is the position of the employees in the organization. In this study, the samples are limited to marketing managers, and they could have perceived their work and their position as very different from another employee’s in the same organization, but with a different position or responsibility in the organization. Another factor is the region. In this study, only South Florida was used, and the people there may have their own characteristics and perceptions about the power distance.

The results of the four hypotheses suggested a difference between marketing managers’ ethical attitudes in countries with a high score in uncertainty avoidance and the marketing managers’ attitudes from countries with a low score in uncertainty avoidance. Using the index formula, developed by Hofstede for calculating the score of uncertainty avoidance, the results show that Puerto Rico exhibited a score of 61 on the uncertainty avoidance index, and the United States marketing managers exhibited a score of 48.
These results show a different index score for Puerto Rico and the United States marketing managers; Puerto Rican marketing managers had a higher index score than the marketing managers in the United States. This means that as a group, Puerto Rican marketing managers had a greater degree of uncertainty avoidance than American middle managers. Countries with the cultural inheritance of the Roman Empire tend to exhibit higher uncertainty avoidance levels. A unified legal system and a formal system of control of its territories constituted an uncertainty avoidance pattern that had a lasting impact on countries related to this empire. These countries usually displayed a higher need for legislation, and the citizens tended to feel more dependent on authority.

According to Hofstede (1980), countries with a Roman Catholic background also showed higher uncertainty avoidance indices. Catholicism emphasizes life after death and certainties like the uniqueness of the Church and the infallibility of the Pope. The religious background may account better for the low uncertainty avoidance index of this sample. Hofstede (1980) concluded that countries with a Protestant cultural inheritance, which is the case of the U.S., tended to display lower uncertainty avoidance indices, partly due to the fact that these countries emphasize the use of more worldly and pragmatic ways to cope with uncertainty, including technology and law (Maldonado, 2001).

The results of the hypothesis five also suggested that a significant difference does not exist between marketing managers’ ethical attitudes in countries with a high masculinity score and the marketing managers’ attitudes in countries with high femininity scores. Using the index formula, developed by Hofstede for calculating the score of
masculinity / femininity, the results show that Puerto Rico exhibited a score of 60 on the power distance index, and the United States marketing managers exhibited a score of 45.

These results showed a different index score for Puerto Rico and the United States marketing managers; Puerto Rican marketing managers had a higher index score than the marketing managers in the United States. This means that as a group, Puerto Rican marketing managers had a greater degree of masculinity than the American marketing managers. These high scores in this index would indicate that men were more assertive and concerned in the economic aspect, while women were supposed to be more concerned with the quality of life issues and taking care of others. These results were very similar to what Hofstede found in his study; he found that countries very near to the equator tend to be more masculine than feminine. That is the case of Puerto Rico, a small island very near to the line of the equator. On the other side, Hofstede found that colder countries with Protestant cultures, and that are very distant from the equator tended to be more feminine. In this study, the United States had an average score of 45; this can be perceived that both men and women were supposed to be tender and concerned with the quality of life.

Conclusions

The results of this study suggest that the ethical attitudes among marketing managers in the United States and Puerto Rico are very similar, and an acculturation in the Puerto Rican culture may exist. Also the results of this study have answered some important questions about the relationship between the four cultural dimensions - individualism, power distance, uncertainty avoidance, and masculinity in marketing managers’ ethical attitudes.
According to the results of this study, the comparison of the ethical attitudes on this level in the organization is very similar, which suggests that the Puerto Rican marketing managers and the American marketing managers have a positive relation in the perception of the ethical attitudes.

The Puerto Rico of today is very different than the Puerto Rico of fifty years ago; today the people are more educated, especially in high positions inside the company. Today many medium and large enterprises exist that came from the United States. Some native companies are directed by managers that came from the United States. This presence on the island is due to the long relationship between Puerto Rico and the United States. The ethical attitudes of the marketing managers of Puerto Rico can be influenced. Other factors that can influence the ethical decisions are the individual factors, the situational influences, and the environmental factors.

Regarding the second conclusion, the results of this study suggest that some differences in the index score developed by Hofstede exist, especially in the masculinity/femininity index and in the uncertainty avoidance index, but those differences may appear that do not have any influence in the ethical aspect of the ethical attitudes of the Puerto Rican and American marketing managers.

Regarding the third conclusion, it may appear that the Puerto Rican culture has and acculturation to the culture of the United States, which reinforced the theory that Puerto Rico is a Colony of the United States of America.

Importance of the Study

The study suggests the following: (a) there is no statistically significant relationship between the ethical attitudes among marketing managers in the United States
and Puerto Rico; (b) a significant difference in two of the dimensions of Hofstede exist, in the masculinity / femininity index and in the uncertainty avoidance index, and in the power distance and the individualism/collectivism index, no significant difference exists; (c) the dimensions of Hofstede do not have any influence in the cross-cultural comparison of the ethical attitudes in the case of Puerto Rico and United States in the marketing department; and (d) some kind of acculturation in the marketing managers of Puerto Rico exists. Further investigation of this issue, and some of the tested concepts, need to be examined more closely.

Limitations and Recommendations

A number of suggestions exist for future studies from this initial research effort. First, the present study focused on the cross-cultural comparison of the ethical attitudes between U. S. marketing managers and Puerto Rican marketing managers, and if the dimensions of Hofstede had some influence. A direction of research that might further this initial effort would be an investigation for exploration to see if the same type of perception of acculturation in other positions inside the company may exist; such an investigation would serve a useful purpose for the enterprises.

Secondly, another area of possible research is using the dimensions of Hofstede to compare the ethical attitudes of the marketing managers in Puerto Rico and in the United States in some business practices such as gift-giving, nepotism, software piracy, sharing insider information, for exploration to see if some similarities or dissimilarities between the two countries exist.

Thirdly, for further research in a cross-cultural aspect, some other methods should be integrated, such as interviews with the participants, direct observations inside the
company, and other types of face-to-face communication in an effort to produce more reliable data.

The present study is only a beginning. More information needs to be learned about cross-cultural comparison and the ethical attitudes. Clearly, the study made some contributions, here.

Some limitations are present in this study; first in self-reported questionnaires. Most of the people tend to rate themselves as more ethical people than they really are. According to Christie, Won, Stoeberl & Baumhart (2003), this “self serving bias” is a common phenomenon in studies related to ethics. In the present study, this phenomenon was not fully controlled, because the focus was a cross-cultural comparison.

Secondly, in this research, the researcher only used two countries for the survey; this may be inadequate to generalize the results on the relationship between the ethical attitudes of the marketing managers in Puerto Rico and in the United States, and the possible influence of Hofstede’s cultural dimensions.
REFERENCES


APPENDIX A

Permission to Use Instrument
The institute IRIC was closed in April 2004. The copyright for the VSM (Values Survey Module) has returned to Geert Hofstede. The English text of the latest version, VSM94, is found in Appendix 4 of the 2001/2003 editions of Geert Hofstede’s book “Culture’s Consequences.” Permission to use it for research purposes is granted free of charge. For reproduction in publications, Hofstede’s permission is required. Other language versions will shortly be published on Hofstede’s website www.geerthofstede.nl
APPENDIX B

Letter of Institutional Consent
Dear Sir or Madam:

As part of the requirements for the degree of Doctor in Business Administration at Argosy University, in Sarasota, Florida, I intend to conduct a survey among marketing managers in a number of organizations in the U.S. and Puerto Rico.

The purpose of this study is to examine whether there are any differences in the ethical attitudes of marketing managers in Puerto Rico and the United States, and whether the dimensions of power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity developed by Hofstede influenced those differences. The identification of ethical attitudes may be helpful in explaining managerial behavior decisions, which are a critical part of business organizations.

We request your cooperation allowing the members of your organization to participate in this study. The data will be collected through a validated questionnaire designed for cross-cultural studies. It will take participants approximately 15 to 20 minutes to fill out the questionnaire. The data will be kept confidential and results will be available to your organization upon request.

Please sign at the end of this letter if you grant permission. Your cooperation is greatly appreciated.

Sincerely,

Gino Franceschi Torres
Alturas del Encanto G–33 Calle 9
Juana Diaz, PR 00795

_________________________________                 ______________________
Signature of Approval     Date

_________________________________
Position
APPENDIX C

Letter to Contact Persons
Dear Sir or Madam:

As part of the requirements for the degree of Doctor in Business Administration at Argosy University, Florida, I intend to conduct a survey among marketing managers in a number of business organizations in Puerto Rico.

The purpose of this study is to examine whether there are any differences in the ethical attitudes of marketing managers in Puerto Rico and the United States, and whether the dimensions of power distance, uncertainty avoidance, individualism/collectivism, and masculinity/femininity developed by Hofstede influenced those differences. The identification of ethical attitudes may be helpful in explaining managerial behavior decisions, which are a critical part of business organizations.

We request your cooperation in selecting participants according to the following specifications:

1. Participants must be members of the organization

We are enclosing a copy of a letter to secure institutional consent. Please have it signed by the appropriate official and return it to us, along with the filled questionnaires.

We will greatly appreciate it if you send us back the questionnaires in two weeks. Enclosed is a self-addressed, postage-paid envelope for this purpose.

Thank you for your cooperation.

Gino Franceschi Torres
Alturas del Encanto G –33 Calle 9
Juana Díaz, PR 00795
APPENDIX D

Cover Letter to Participants
Dear Participant:

My name is Gino Franceschi. As part of the requirements for the degree of Doctor in Business Administration at Argosy University in Sarasota, Florida, I intend to conduct a survey among marketing managers in a number of business organizations in Puerto Rico.

The purpose of this study is to examine the cross-cultural ethical attitudes of Puerto Rican marketing managers as compared with the American marketing managers. The identification of cultural ethical attitudes may be helpful in explaining managerial behavior and employee performance, which are critical to the successful management of business organizations. If you want to participate you can enter at http://www.dtechgroup.net/.

It will take you approximately 15 to 20 minutes to fill out this questionnaire. By completing and turning it in, you are giving your consent for the researcher to include your responses in his data analysis. Your participation in this research is strictly voluntary, and you may choose not to participate without fear of penalty or any negative consequences.

Individual responses will be treated confidentially. No individually identifiable information will be disclosed or published, and all results will be presented as aggregate summary data.

If you wish, you may request a copy of the results of this research by writing to the researcher at:

Gino Franceschi Torres
Alturas del Encanto G –33 Calle 9
Juana Diaz, PR 00795

Thank you for your cooperation.

Gino Franceschi Torres
APPENDIX E

Instrument
INTERNATIONAL QUESTIONNAIRE (VSM 94)

Please think of an ideal job, disregarding your present job, if you have one. In choosing an ideal job, how important would it be to you to ... (please circle one answer in each line across):

<table>
<thead>
<tr>
<th></th>
<th>of utmost importance</th>
<th>very important</th>
<th>of moderate importance</th>
<th>of little importance</th>
<th>of very little or no importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>have sufficient time for your personal or family life</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2.</td>
<td>have good physical working conditions (good ventilation and lighting, adequate work space, etc.)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>have a good working relationship with your direct superior</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>have security of employment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5.</td>
<td>work with people who cooperate well with one another</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6.</td>
<td>be consulted by your direct superior in his/her decisions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>have an opportunity for advancement to higher level jobs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8.</td>
<td>have an element of variety and adventure in the job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

In your private life, how important is each of the following to you? (Please circle one answer in each line across):

<table>
<thead>
<tr>
<th></th>
<th>of utmost importance</th>
<th>very important</th>
<th>of moderate importance</th>
<th>of little importance</th>
<th>of very little or no importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Personal steadiness and stability</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>10.</td>
<td>Thrift</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>11.</td>
<td>Persistence (perseverance)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>12.</td>
<td>Respect for tradition</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

13. How often do you feel nervous or tense at work? (Please circle one answer):
   1. never
2. seldom
3. sometimes
4. usually
5. always

14. How frequently, in your experience, are subordinates afraid to express disagreement with their superiors? (Please circle one answer):
1. very seldom
2. seldom
3. sometimes
4. frequently
5. very frequently

To what extent do you agree or disagree with each of the following statements? (Please circle one answer in each line across):

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. Most people can be trusted.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. One can be a good manager without having precise answers to most questions that subordinates may raise about their work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. An organizational structure in which certain subordinates have two bosses should be avoided at all costs.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>18. Competition between employees usually does more harm than good.</td>
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<tr>
<td>19. A company's or organization's rules should not be broken - not even when the employee thinks it is in the company's best interest.</td>
<td></td>
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<tr>
<td>20. When people have failed in life it is often their own fault.</td>
<td></td>
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<tr>
<td>21. Sound ethics is good business in the long run.</td>
<td></td>
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<tr>
<td>22. In the business world it is difficult to make ethically sound decisions because of the high degree of competitive pressure.</td>
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<tr>
<td>23. Being ethical and being profitable do not Result.</td>
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<tr>
<td>24. In dealing with ethical problems, it is easier to know what is right than it is to do it.</td>
<td></td>
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</tr>
<tr>
<td>25. A business executive acts ethically as long as he or she adheres to the laws and regulations of the</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
26. The average business executive has two ethical standards: one for their personal life, and another for their professional life.

27. Business executives’ main concerns are to make a profit and ethics is secondary.

Some information about yourself (for statistical purposes):

28. Are you:
   1. male
   2. female

29. How old are you?
   1. Under 20
   2. 20-24
   3. 25-29
   4. 30-34
   5. 35-39
   6. 40-49
   7. 50-59
   8. 60 or over

30. How many years of formal school education (or their equivalent) did you complete (starting with primary school)?
   1. 10 years or less
   2. 11 years
   3. 12 years
   4. 13 years
   5. 14 years
   6. 15 years
   7. 16 years
   8. 17 years
   9. 18 years or over

31. If you have or have had a paid job, what kind of job is it / was it?
   1. No paid job (includes full-time students)
   2. Unskilled or semi-skilled manual worker
   3. Generally trained office worker or secretary
   4. Vocationally trained craftsperson, technician, informatician, nurse, artist or equivalent
   5. Academically trained professional or equivalent (but not a manager of
6. Manager of one or more subordinates (non-managers)
7. Manager of one or more managers

32. What is your nationality?

33. What was your nationality at birth (if different)?

34. You are?
   1. Marketing Manager
   2. Marketing and Sales Manager
   3. CEO
   4. President
   5. Other

Thank you very much for your cooperation!

Enclosures
APPENDIX F

Letter of Authorization
Milena:

Please add this to the newsletter:

Please participate in a Study about Marketing Managers

The Interamerican University in Puerto Rico is conducting a study of the ethical attitudes of marketing managers in Puerto Rico and the United States. The identification of ethical attitudes may be helpful in explaining managerial behavior decisions, which are a critical part of business organizations.

It will take you approximately 15 minutes to fill out this questionnaire. Individual responses will be treated confidentially. No individually identifiable information will be disclosed or published, and all results will be presented as aggregate summary data.

Please participate by clicking:

http://www.dtechgroup.net

Jay Berkowitz
CEO
Ten Golden Rules
jay@tengoldenrules.com
561-716-1334
http://www.tengoldenrules.com

President
American Marketing Association South Florida
http://www.amasouthflorida.org
APPENDIX G

Ethics Statements Descriptive Statistics
<table>
<thead>
<tr>
<th>Ethics Statements</th>
<th>USA</th>
<th>PR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Sounds Ethics is good business in the long run.</td>
<td>2.25</td>
<td>0.96</td>
</tr>
<tr>
<td>In the business world it is difficult to make ethically sound decisions because of the high degree of competitive pressure.</td>
<td>1.79</td>
<td>0.75</td>
</tr>
<tr>
<td>Being ethical and being profitable do not Results.</td>
<td>2.88</td>
<td>1.18</td>
</tr>
<tr>
<td>In dealing with ethical problems, it is easier to know what is right than it is to do it.</td>
<td>1.82</td>
<td>0.74</td>
</tr>
<tr>
<td>A business executive acts ethically as long as he or she adheres to the laws and regulations of the country.</td>
<td>2.31</td>
<td>1.12</td>
</tr>
<tr>
<td>The average business executive has two ethical standards: one for their personal life, and another for their professional life.</td>
<td>3.29</td>
<td>1.27</td>
</tr>
<tr>
<td>Business executives’ main concerns are to make a profit and ethics is secondary.</td>
<td>3.00</td>
<td>1.14</td>
</tr>
</tbody>
</table>

Note: 1= Strongly agree, 2= agree, 3=Undecided, 4=disagree, 5=Strongly disagree
APPENDIX H

Statement Related to Individualism / Collectivism
### Individualism / Collectivism

<table>
<thead>
<tr>
<th></th>
<th>USA</th>
<th></th>
<th>PR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
<td>n</td>
<td>M</td>
</tr>
<tr>
<td>Have sufficient time for your</td>
<td>1.54</td>
<td>.551</td>
<td>114</td>
<td>1.69</td>
</tr>
<tr>
<td>personal or family life</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have good physical working</td>
<td>1.90</td>
<td>.595</td>
<td>114</td>
<td>1.87</td>
</tr>
<tr>
<td>conditions (good ventilation and</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>lighting, adequate work space,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have security of employment</td>
<td>1.75</td>
<td>.793</td>
<td>114</td>
<td>1.63</td>
</tr>
<tr>
<td>Have an element of variety and</td>
<td>2.10</td>
<td>.752</td>
<td>114</td>
<td>1.99</td>
</tr>
<tr>
<td>adventure in the job</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 1= utmost importance, 2= very important, 3= moderate importance, 4= little importance, 5= very little or no importance
APPENDIX I

Statement Related to Power Distance
<table>
<thead>
<tr>
<th>Power Distance</th>
<th>USA</th>
<th></th>
<th></th>
<th>PR</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a good working relation-ship with your direct superior</td>
<td>1.90</td>
<td>.96</td>
<td>114</td>
<td>1.91</td>
<td>1.05</td>
<td>140</td>
</tr>
<tr>
<td>Be consulted by your direct superior in his/her decisions</td>
<td>2.63</td>
<td>.80</td>
<td>114</td>
<td>2.59</td>
<td>.93</td>
<td>140</td>
</tr>
<tr>
<td>How frequently, in your experience, are subordinates afraid to express</td>
<td>4.19</td>
<td>.85</td>
<td>114</td>
<td>4.14</td>
<td>.80</td>
<td>140</td>
</tr>
<tr>
<td>disagreement with their superiors?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An organization structure in which certain subordinates have two bosses</td>
<td>2.30</td>
<td>1.10</td>
<td>114</td>
<td>2.28</td>
<td>1.13</td>
<td>140</td>
</tr>
<tr>
<td>should be avoided at all costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 1= utmost importance, 2= very important, 3= moderate importance, 4= little importance, 5= very little or no importance
APPENDIX J

Statement Related to Uncertainty Avoidance
<table>
<thead>
<tr>
<th>Uncertainty Avoidance</th>
<th>USA</th>
<th>PR</th>
</tr>
</thead>
<tbody>
<tr>
<td>How often do you feel nervous or tense at work?</td>
<td>2.73 .67 114</td>
<td>3.01 .77 140</td>
</tr>
<tr>
<td>One can be a good manager without having precise answers to most questions that</td>
<td>2.56 1.13 114</td>
<td>3.13 1.35 140</td>
</tr>
<tr>
<td>subordinates may raise about their work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competition between employees usually does more harm than good</td>
<td>2.96 1.24 114</td>
<td>2.99 1.17 140</td>
</tr>
<tr>
<td>A company's or organization's rules should not be broken - not even when the</td>
<td>2.88 1.01 114</td>
<td>3.17 1.19 140</td>
</tr>
<tr>
<td>employee thinks it is in the company's best interest</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 1= utmost importance, 2= very important, 3= moderate importance, 4= little importance, 5= very little or no importance
APPENDIX K

Statement Related to Masculinity / Femininity
### Masculinity / Femininity

<table>
<thead>
<tr>
<th></th>
<th>USA</th>
<th>PR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>SD</td>
</tr>
<tr>
<td>Work with people who cooperate well with one another</td>
<td>1.69</td>
<td>.63</td>
</tr>
<tr>
<td>Have an opportunity for advancement to higher level jobs</td>
<td>1.84</td>
<td>.77</td>
</tr>
<tr>
<td>Most people can be trusted</td>
<td>2.63</td>
<td>.96</td>
</tr>
<tr>
<td>When people have failed in life it is often their own fault</td>
<td>2.46</td>
<td>1.15</td>
</tr>
</tbody>
</table>

Note: 1= utmost importance, 2= very important, 3= moderate importance, 4= little importance, 5= very little or no importance