Confluence of the Power-Distance Cultural Dimensions between the United States, New Zealand, and Germany in Ethical Responses

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Abstract

This paper examines the power-distance cultural influences on ethical decision-making and communicating responses by undergraduate students from the United States, New Zealand, and Germany through six business oriented scenarios. Significant differences were detected on two of the six scenarios between the U.S. and New Zealand, with regard to the power distance of business relationships. Overall no group of respondents appeared more ethical than another. In fact, when asked if they were willing to deceive a regulatory agency, almost half of the respondents, regardless of location, indicated that they would be willing to do so. Findings indicate a weak link with the literature on (Hofstede, 1980) power distance dimension and adds some insight to the difference between the role Hofstede's power-distance and when supervisory personnel are involved. Implications are discussed for educating various student cultures in ethical decision making and appropriate communication strategies.

Introduction

We are one world, or *The World is Flat* (Friedman, 2005), suggests that oceans do not separate continents anymore. Through the advancement of technology in such forms as communication and transportation, there has been a reduction in the global barriers of distance and culture. This reduction has led to larger, more global, impacts of single corporate crises. Essentially, what happens in the United States has ramifications in other parts of the world and vice versa. So as we review the global business crises and economic losses caused by ethical transgressions, particularly those in the past decade, people are questioning the ethical decision making of leaders especially. To increase ethical actions, there needs to be an understanding of each nation's culture, their perceived handling of ethical transgressions, and the intercultural communication implications. We may be one world, but we are not one people, yet. What one culture considers ethical, another might not. While there are some who argue for a core set of universal ethical principles(e.g. Josephson, qtd. in Seib& Fitzpatrick, 1995), others argue that cultural worldviews are so diverse as to make cross-cultural ethical reasoning inherently fraught. Hofstede's (1980) cultural dimensions attempted to provide in depth information regarding how each culture functions while highlight similarities and differences. Shuter (2003) identifies similarly fundamental differences in underpinning logic between the United States and Islamic cultures which mean that, in a conflict, each can be convinced its actions are the only ethical ones. Overall, we can assume that even in similar cultures, worldview differences will result in some variance in ethical decision making and the subsequent societal ethics.
In essence, societal ethics are;

> Standards that govern how members of a society are to deal with each other on issues such as fairness, justice, poverty, and the rights of the individual. Societal ethics emanate from a society's law, customs, and practices, and the unwritten attitudes, values, and norms that influence how people interact with each other (Jones & George, 2003, pg. 97).

This article explores overarching cultural influences, especially power-distance relationship on societal ethics as examined through undergraduates. Students served as both participants in the research and the sources of some of the ethical dilemmas tested. Accordingly, the students' perspectives are explored to elucidate pedagogy for ethical decision making.

Review of Literature

Culture is defined as a "collective programming" (Hofstede, 1980), or as a "collective being" (Ralston, Giacalone, & Terpstra, 1994). Culture is the name we give to our understanding of what a distinct group of people, a collective, values and what a collective considers appropriate behavior. These constructs are not static and evolve over time but contain enough richness to be observable and recordable. Therefore, research on cultures and sub-cultures provides insight into problem solving, decision making, and the variances from one culture to another in values and behaviors.

Cultural Dimensions

The preliminary investigation and classification of cultural dimensions, emanated from research by Geert Hofstede (1980). He developed five dimensions of culture: individualism, power distance, uncertainty avoidance, masculinity-femininity, and orientation toward time. The distinction between individualism and collectivism is viewed as the most crucial cultural dimension (Griffin, 2009). Hofstede's initial data was derived from the globally distributed IBM workforce and his dimensions have been validated for other companies and cultures in many studies since his initial work in the 1960s. Each of the dimensions represents a polarity; for example, power distance considers comfort with hierarchical versus egalitarian situations (Griffin, 2009). Hofstede (1980) identified consequences of power distance. Those with higher power distance have larger wage differences and rely upon the differences between blue-collar and white-collar positions (pg. 135) (Table 1).

Scholtens and Dam (2007) examined corporate policies on bribery, codes of ethics, and human rights for 2,700 firms in twenty-four countries and found differences among firms headquartered in different countries. They found support for Hofstede's dimensions: individualism and uncertainty avoidance were positively correlated with a firm's ethics policies and masculinity and power distance were negatively correlated to these polices. Similarly, Sims and Gegez (2004) found significant differences between Turkey and other countries (U.S., Israel, Western Australia, and South Africa) on Hofstede's dimensions and on the Corruption Perceptions Index. Extending that study in 2006, Sims added Jamaica and the West Indies to the sample, and concluded that "While there may be some commonly shared ethical attitudes across nations, even those countries that share similar national cultures may find quite conflicting ethical expectations" (p. 111).

Ting-Toomey (2000) noted that people who communicate with low context messages tend to come from individualistic cultures. In low context transactions, messages are clearly spelled out and are direct and explicit. It is the speaker's responsibility to make sure the meaning is provided by the words and to be well organized and structured (Hamilton, 2008). Contextis "the information that surrounds an event" (Hall & Hall, 1990, p. 6). In contrast to low context, indirect messages can be valued for not giving offense, for keeping options open, for vagueness that enables everyone to 'save face.'

With both values and communication styles polarized, the issues surrounding mutual understanding are further complicated by increasing globalization and transcendent electronic communications. There may be values orientations that lie outside Hofstede's dimensions. There may be communication styles that are globally corporate, transcending social "manners" or preferred styles, that are ubiquitous in the conduct of business.

Culture beyond Nation and Context

Tang and Chow (2009) advocate isolating national and cultural variables. They believe that the literature claiming cultural differences in ethics might actually be expressing national differences. They compared groups of Chinese and Americans with a group of Chinese-Americans. The two Chinese groups shared common values and differed from the Caucasian American group.

Christie et al. (2003) compared managers in India, Korea and the U.S. on all five of Hofstede's dimensions and found a strong influence on ethical attitudes from national culture. However, there were other influences as well; external environment and gender affected issues of personal integrity and judgment. Beekun et al. (2009) compared Egyptian and U.S. executives using Reidenbach and Robin's (1988) multi-criteria ethics instrument.

The U.S. respondents held more individualistic and lower power-distance profiles and saw outcomes in ethics scenarios as more unethical than the more collectivist and higher power distance Egyptians. They also found that both groups relied on justice, utilitarianism and relativism in predicting their intentions to behave ethically. Americans substituted egoism for justice when considering the intentions of their peers.

Numerous studies have used Hofstede's power distance dimensions as a means to test business practices, including ethical issues. Smith and Hume (2005) found more similarities than differences when studying accountants *vis a vis* Hofstede's dimensions of individualism and power distance. (Purohit & Simmers, 2006) found that it is the behavioral level rather than the foundational level of Hofstede's power dimension of the Nigerian, Indian, and U.S. respondents that impacted their conflict management skills. Ardichvili et al. (2009) propose that certain characteristics be used for a comprehensive model that can be employed to influence operational practices in creating and sustaining an ethical business culture. Their five clusters of characteristics are: Mission- and Values-Driven, Stakeholder Balance, Leadership Effectiveness, Process Integrity, and Long-term Perspective. Additional studies (Ardichvili, Jondle, & Kowske, 2010; Ardichvili, Mitchell, & Jondle, 2009; Armstrong, 1996; Blodgett, Bakir, & Rose, 2008; Chiang & Birtch, 2010; Dash, Bruning, & Acharya, 2009; Huettinger, 2008; Michael K Hui and Kevin Au and Henry Fock, 2004; Vitell, Nwachukwu, & Barnes, 1993) have utilized Hofstede's (1980) cultural dimensions as a means to explore and explain business influences, ethical practices, issues, and decisions across cultures.

Paralleling a similar study by Goodwin and Goodwin (1999) in which scenarios were used to test ethical issues with Malaysian and New Zealand students, this study furthers that investigation by examining whether responses to ethical scenarios supplied by students and developed from current events, correlate with Hofstede's dimensions or other constructs. Students have indicated that there are some values, particularly kinship, that are more important than ethics (Fredricks & Hornett, 2005).

Hypotheses

The primary focus of this study is on the dimension of power-distance (Hofstede, 1980), since the participants involved should be relatively close in these dimensions. The United States, New Zealand, and Germany are what have been called "Anglo" cultures, meaning they share "ethnic and linguistic similarities and migration patterns originating centuries ago from areas now identified as Northern Europe" (House, Hanges, Javidan, Dorfman& Gupta, 2006, p. 183). While various studies suggest that the ensuing divergence in histories results in contemporary differences, the three societies do share some underpinning formative cultural influences.

The United States, New Zealand, and Germany have different degrees on Hofstede's dimension of power-distance. The U.S. score is 40; Germany (Federal Republic) is 35; and New Zealand's is 22 (Table 2). (*It is important to note that Hofstede's original research for Germany was conducted prior to the reunification of East and West Germany and so is listed as the Federal Republic.*) This shows that the U.S. places relatively more value than Germany and New Zealand on hierarchy in society. People of wealth and high status positions are revered in high-power distance cultures. Lower status individuals are expected to be respectful and humble when around higher status individuals. Conversely, in low power-distance cultures, e.g. New Zealand, that difference in status is diminished. Lower status and higher status individuals strive to minimize the differences and often interact informally and socially (McCornack, 2010). Accordingly, this study hypothesized that there will be statistical difference when it comes to ethical decisions regarding power-distance and business dilemmas. (Table 3)*Hypothesis*: Due to the narrow difference scores in Hofstede's power-distance dimension, there will be statistical difference between the United States, New Zealand, and Germany when it comes to power-related business ethical dilemmas.

Methodology

Undergraduate students in the United States provided situations and discussions that resulted in the development of a number of scenarios. Additional research and evaluation of current events, led to a total of six scenarios (Appendix 1). The scenarios involved emergent ethical dilemmas were given to different groups of students to solicit their ethical responses. Students were asked to indicate their preferred course of action from among a variety of possible responses to particular ethical dilemmas. They were also given opportunities to provide other answers of their own construction. These scenarios tested ethical decisions regarding business dilemmas including those of supervisor-subordinate relationships.

The students surveyed (N=584) were from colleges and universities. There were three in Pennsylvania (Northeast), one in Louisiana (Southeast), one in New Zealand (NZ), and one in Germany. Students were asked demographic questions including their geographic. Accordingly, the data was sorted by the identified geographic location to provide a more in-depth analysis of the data and to delineate additional geographic significance.

Basic frequencies were calculated for all six Scenarios. To test for significance between the scales of geographic location and the scenarios, a Chi-Square with the Pearson Correlation Coefficient was used. The Chi-Square test can be used for almost all types of data and is one of the most frequently used. The Pearson Correlation Coefficient tests the level of significance between the variables and indicates that the lower the significance value, the less likely it is that the two variables are independent (unrelated). In addition, this test works best for data that is normally distributed and contains no outliers. Testing for outliers was conducted through a scatterplot graph which indicated no outliers (Babbie, 1998).

Limitations

While surveys can be strong on reliability, they can be weak in validity and artificial in testing (Babbie, 1998). Since the survey questions are experientially based but artificial, how participants respond does not necessarily mean that they will take that particular action in real life. Also, this study could not test what might happen after the survey or after an ethics course or discussion nor what courses they have taken related to ethics.

However, the strength of the survey approach is the reliability of asking the same standard questions of all the participants. Therefore, we are able to provide a comparison of answers at this particular time for a large number of respondents.

The choice of Chi-Square for data analysis has in itself some limitations including nonsampling errors and a misinterpretation of the strength of the association or significance (Babbie, 1998). In order to present the best possible statistical evidence, the researchers provided additional frequency data to provide more depth and breath.

Findings

Some differences and some similarities were found between the U.S., N.Z., and Germany respondents. Tables 4 through 9 provide frequency distribution of each scenario's responses. Only Scenarios II and V showed significance at the .05 level for the Pearson Chi-Square. This indicates that the responses could be attributed to their geographical location.

The hypothesis was partially supported; there is a significant difference at the .05 level between the three geographic respondents for two of the ethical dilemmas in business contexts. In Scenario II, students are asked to assume that they have participated in group unethical activity, and probed as to their response when that unethical activity has been completed. Most participants from U.S. and N.Z. chose to "speak to the boss for clarification on the assignment." While those from Germany preferred to do "Nothing, go back to your normal duties as instructed." (n=7, 43.8%). However, more New Zealanders would express discomfort at the activity (n=32, 29.1%) as their second choice. U.S. respondents preferred to go back to work (n= 148, 33.4%) as their second choice instead. German respondents tied their second and third choices. Scenario V also indicates that the respondents' geographic location affects their responses. All three locations; U.S. (n=266, 59.4%), New Zealand (n=44, 39.3%), and Germany (n=13, 72.2%) are willing to "Ask the person out" with the German respondents almost 13% more likely than U.S. respondents which were twenty percent more likely to do so than New Zealand. The variation appears in the second and third choices where Germans would rather "Ignore the person's comments" (n=3, 16.7%). For their third choice, New Zealanders preferred to "Ignore the person's comments" (n=18, 16.1%) while U.S. preferred to select "Other" (n=44, 9.8%).

Discussion of Findings

Overall, it is interesting to note that no group of respondents would behave more ethically than another. In fact, when asked if they were willing to deceive a regulatory agency, Scenario I, the respondents, regardless of country, indicated that they would first talk to their boss, than as a second preferred choice proceed to the trading floor. The nuances in the ethical decision making were perhaps based on the cultural influences on the respondents' societal ethics. The respondents' cultural power distance dimension appear to have somewhat varied their ethical decisions. It was hypothesized that there would be minimal or no difference between the two cultures in terms of responses involving power, but this study showed that there was limited variance.

Two of the six scenarios indicate that the responses are indicative of the geographical location. Perhaps this indicates that other dimensions are more prominent than individualism. For example, in Scenario II, students are asked to pretend to do something to fool a regulatory agency. Both U.S. and New Zealand students chose to speak to the boss for clarification about the assignment while Germans preferred to go back to their duties. As a second choice New Zealanders chose to speak to their boss about their discomfort with the situation while U.S. preferred to do nothing but go back to work. Scenario V involved asking a coworker out for a drink; once again all three; U.S., New Zealand, and German students are willing to "Ask the person out" for a drink after work with the U.S. at almost 20% (U.S. = 59.4%, N.Z.= 39.3%). New Zealanders prefer to "Ignore the person's comments" as a third alternative more than U.S. who chose "Other." The differences may be due to another of Hofstede's dimensions; ones that were not tested, such as masculinity or assertiveness.

While most of Hofstede's dimensions are virtually the same when comparing the U.S., New Zealand, and Germany (Table 2), power distance levels show a difference (Table 3). This study focused on the most prominent factor in ethical decisions - power distance. This offers some explanation for New Zealanders choosing to talk to the boss about their discomfort with participating in an unethical task (Scenario II) while U.S. and German respondents were less likely to do so and more likely to return to work as if nothing had occurred. Germans and New Zealanders also chose to ignore a person's attempt to flirt when compared to the U.S. responses (Scenario V). It may be that they perceive a difference between equalizing power distance with a supervisor and socializing where there is no power distance with a co-worker.

Goodwin and Goodwin (1999), claim that Hofstede's (1980) dimensions do not fully explain students' attitudes towards ethical issues. Indeed, research by Fernandez et al. (1997) indicated that Hofstede's dimensional applications to cultures have shifted since their original publication due to globalization changing the work environment and introducing emphasis on individualized reward structures.

Limitations of this study

This study tests students' responses to ethical dilemmas that are every day, common experiences reported by their peers. It provides some evidence that ethical discernment can be correlated to cultural profile in some situations and not in others. More research is needed on ethical decision making and on cultural profiling (Swaidan et al., 2005). In addition the sample size for Germany was small (n=18) which limits the actuality of the comparisons. Furthermore, Hofstede's dimensions were for a Germany prior to the reunification and limit the applicability.

Implications for Pedagogy

This study's attempt to validate scenarios by testing them in different countries indicates that cultural affinities may not be the sole explanation for differences in approaching ethical issues and workplace behaviors. The literature suggests that a weakness in these survey methods when testing Hofstede's dimensions is that participants may be reading something into the test questions that holds a different intention. In this study, the significant difference in response to Scenario V could mean that the New Zealand students are better schooled in the legalities of workplace relationships. Perhaps the U.S. and German students are simply reacting as an age cohort that is involved in meeting people and dating.

Given that caution, it is understandable why some faculty members are reluctant to teach ethics. However, this study and the literature combine to offer faculty an important connection for teaching ethical thinking in a global economy. Hofstede's dimensions make a strong case that the polarities on the dimensions express conflicts in values and what is considered appropriate behavior. They offer faculty a way to involve students in discussions of these differences and their values.

Furthermore, this study provides faculty with scenarios to "test" their own students or to use for generating class dialogue and critical thinking. These scenarios emerged from real dilemmas facing real people and therefore are not remote cases from corporations that students may not know. Accordingly, the scenarios provide faculty with ways to engage students with the familiar and assist them in developing their skills in recognizing and dealing with ethical dilemmas. Combining the scenarios with an exploration of Hofstede's dimensions enables faculty and students to engage in dialogue on ethics within the context of the global workplace where the students will conduct business.

Implications for Organizational Contexts

The cultural differences detected in this study also have implications for organizational contexts. Ethical organizational cultures are more likely to exist and endure if an organization's leaders (both official and unofficial) demonstrate 'ethics-related activities'—that is, behaviors that proactively develop group members' ethical awareness and moral reasoning capacity (Mendonca & Kanungo, 2007). This may range from simple (such as talking often about ethics) to complex (such as introducing formal ethics compliance programs and/or using scenarios such as the present ones to stimulate discussion). In the United States, the Ethics Resource Centre conducts surveys across government, corporate, and non-profit sectors to measure ethical culture, including leaders' ethics-related activity (ERC, 2003-2008). The results highlight what each sector feels it needs from its leaders to be ethically strong. The surveys test for 18 different ethics-related leadership activities including levels of communication about ethics, but results over the past six years have shown that, overall, employees are most responsive to three leadership behaviors in particular: "setting a good example; keeping promises and commitments; and supporting others in adhering to ethics standards" (Seligson & Choi, 2006, p. 1).

The findings from the present research have some implications for understanding the relevance of these kinds of generic measures for ethical culture and ethical leadership behaviors in organizations. While 'ethical leadership' qualities such as being a role model may appear to be fairly universal, the results from this study signal that, for specific issues such as dating a co-worker, 'setting a good example' will not mean the same thing in different countries. Organizations globally can and do use some available ethics surveys to compare their organizational cultures, including leaders' ethics-related-activities, with their sector's benchmarks across international borders. Some large organizations in New Zealand are currently doing this, including specifically by implementing the US-based ERC's ethical culture instrument (Personal communication, Leslie Altizer, ERC Senior Director of Benchmarking Services, 5 February 2009). This is a positive step to understanding ethical culture, but the data from the present study suggest that there will be cross-cultural considerations with using U.S. ethics surveys in Germany and New Zealand. In particular, in this study, the different baseline responses to a number of business ethical issues where there was no kinship effect involved suggest that caution is needed in using ethics guidelines as though they were globally interchangeable. The specific implications of this for organizational ethics processes have not yet been explored, and offer scope for future research.

Conclusions

Ethical decision making is a product of each country's values, culture and subsequent perception of societal ethics. Unlike previous literature that confirmed Hofstede's (1980) dimensions; individualism, power-distance, masculinity v. femininity, uncertainty avoidance, and orientation to time, when considering the ethical reasoning of business students, managers, and executives, this study suggests that additional cultural variances have influence on that process. As Blodgett et al., (2008) reported, "….Hofstede's cultural instrument lacks sufficient construct validity when applied at an individual level of analysis (p. 343). In addition this research supports Sims' (2006, p. 106) conclusion that "Hofstede's dimensions do not adequately account for these reported differences in attitudes towards business ethics". Those countries which once fell into the same dimensional categories may have actually changed since Hofstede's initial study thirty years ago. Other cultural dimensions or influences have become more relevant than Hofstede (1980) originally proposed.

Although only the power distance dimension was explored here, it became obvious that other cultural influences impacted the respondents' ethical decisions. The ideasraised by the GLOBE researchers (Brodbeck, Chokkar & House, 2008), that there are unique 'species' of culture even within the individualistic culture bracket, is supported. In addition it became clear that the power-distance dimension did have some influence on the decision-making process. The role of kinship and other relationships requires more study concerning ethical dilemmas. This study needs to be replicated in other cultures and more scenarios should be developed that derive from the students' authentic experiences. Future work with a wider range of scenarios, and scenarios built to test particular cultural variances, may enable better understanding of the interrelationships between culture and other variables impacting ethics, such as internal cultural diversity, leadership styles, and organizational ethical processes.

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Appendix 1 – Scenarios

Scenario I:

You are working for a major corporation in your home town. The pay is good and the benefits are what you classify as exceptional. As part of your benefits, your retirement provides for stock options. In fact, the basis of your retirement is company stock options. The company seems to be doing well and the stock price is rising. You feel on top of the world, your stock price is increasing and you are getting an increasing share of a rising stock. Your job is flexible and is providing significant opportunities for you. You are sitting at your desk when you get a phone call from your boss, asking for your assistance. The Security and Exchange Commission is conducting a spot check on your company and its trading behaviors. The phones on the trading floor need to be covered by personnel. It is well known   throughout the company that these phones are not staffed because there is no trading activity. Your boss encourages you to drop everything and to proceed to the trading floor in order "to put on a good show" for the S.E.C. What do you do?

- ☐ *Nothing, ignore the request and continue with your work*
- ☐ *Talk to your boss about the request*
- ☐ *Proceed to the trading floor as directed*
- ☐ *Tell one of your friends at work and you both agree to stay behind.*
- ☐ *Tell one of your friends at work and convince your friend to go with you to the trading floor*
- ☐ *Other (please explain): _____*

Scenario II:

Assume that you proceed to the trading floor no questions asked because your boss requested it.

As you proceed up to the trading floor, you notice several more employees making their way there as well. As you enter the trading floor, you are given instructions to find a desk and pick up the phone and pretend to place calls to people from an established list. You watch more and more company employees enter the floor and realize that there are over seventy (70) employees relocated to the trading floor. As you find a desk, and start placing calls, members of the S.E.C. staff arrive and are given a tour of the floor. Once they have gone, further instructions are given to have you return to your normal duties. What do you do?

- ☐ *Nothing, go back to your normal duties as instructed.*
- ☐ *Speak to your boss and ask for further clarification about the situation*
- ☐ *Speak to your boss and tell him/her that you are uncomfortable doing this*
- ☐ *Speak to the company's Chief Ethics Officer.*
- ☐ *Other (please explain): _____ _____*

Scenario III:

Someone you supervised was putting hours on his timecard that he was not working. S/He was a very good employee and always completed projects under budget. All of the hours were billed directly to a client, and they were happy with the costs they were incurring to have the work done. What do you do?

- ☐ *Confront the employee*
- ☐ *Pretend you did not know what was happening*
- ☐ *Adjust the client's bill to accurately reflect the hours*
- ☐ *Other (please explain): _____*

Scenario IV:

As a sales representative, you often have to balance your personal gain with the customer's gain. You are compensated for a sale even if you believe that the customer should not purchase the product.
At the same time, if you did not produce your quota, your job would be in jeopardy.
A customer approaches you with a purchase of an exceedingly expensive watch. With this purchase you will receive a huge commission. Based upon their credit situation, paying for the watch through various credit cards, you deduce this may not be the best watch for them. What do you do?

☐ *Let them purchase the watch anyway.*
☐ *Refuse to sell them the watch*
☐ *Try and steer them towards other less expensive watches*
☐ *Other (please explain): _____*

Scenario V:

While you were employed as a production supervisor, you occasionally went out with the group for drinks. One subordinate, whom you found attractive, let it be known that s/he would like to date you. The company has no policy on work relationships. What do you do?

☐ *Ask the person out on a date*
☐ *Tell the person that it would be inappropriate to mix business and pleasure*
☐ *Ignore the person's comments*
☐ *Other (please explain): _____*

Scenario VI:

While auditing one of your client's accounts, you came across something in the contract that had been overlooked by everyone involved. This item wasn't very large, just a few dollars here and there. However, the contract was from a few years ago, and your client was very large, so the dollars added up. The client was overcharged significantly. To correct this error, a credit would have to be applied to every single error, which would be extremely time-consuming for you and the client. You are short on staff and in the middle of your busiest season. You were the only one who recognized the error. What do you do?

☐ *Nothing, no one else has noticed it*
☐ *Tell my direct supervisor so that s/he can make the decision*
☐ *Let the client know about the error*
☐ *Other (please explain): _____*

Table 1: Consequences of National Power Distance Index Differences

Consequences for Organizations	
Low Power Distance Index	High Power Distance Index
Less centralization	Greater centralization
Flatter organization pyramids	Tall organization pyramids
Smaller proportion of supervisory personnel	Large proportion of supervisory personnel
Smaller wage differentials	Large wage differentials
High qualification of lower strata	Low qualification of lower strata
Manual work same status as clerical work	White-collar jobs valued more than blue-collar jobs

Hofstede (1980) pg. 135

Table 2: Comparison of United States, New Zealand, and Germany on Hofstede's Dimensions of Power Dimensions

	Power Distance
U.S.A	40
Germany (Federal Republic)	35
New Zealand	22

(Hofstede, 1980, pg. 104

Table 3: Various levels of Power-Distance for Various Countries

High Power-Distance Countries	Moderate Power Distance Countries	Low Power-Distance Countries
Malaysia	Spain	Norway
Mexico	Italy	Sweden
Venezuela	United States	New Zealand
China	Jamaica	Austria

(McCornack, 2010, pg.294)

Table 4: Frequency distribution of Scenario I Responses by Geographical Location

Response		United States	New Zealand	Germany	Missing	Total
Nothing, ignore request and continue with your work	Count	12	1	0	0	13
	%within Scenario	92.3%	7.7%	.0%	0.0%	100.0%
	% within location	2.7%	0.9%	.0%	0.0%	2.3%
	% of total	2.1%	0.2%	.0%	0.0%	2.3%
Talk to your boss about the request	Count	193	64	11	2	270
	% within Scenari	71.5%	23.7%	4.1%	0.7%	100.0%
	% within location	43.5%	58.7%	61.1%	33.3%	46.8%
	% of total	33.4%	11.1%	1.9%	0.3%	46.8%
Proceed to the trading floor as directed	Count	182	27	7	3	219
	%within Scenario	83.1%	12.3%	3.2%	1.4%	100.0%
	% within location	41.0%	24.8%	38.9%	50.0%	38.0%
	% of total	31.5%	4.7%	1.2%	0.5%	38.0%
Tell one of your friends at work and you both agree to stay behind	Count	11	3	0	1	15
	%within Scenario	73.3%	20.0%	.0%	6.7%	100.0%
	% within location	2.5%	2.8%	.0%	16.7%	2.6%
	% of total	1.9%	0.5%	.0%	0.2%	2.6%
Tell one of your friends and convince your friend to go	Count	36	11	0	0	47
	%within Scenario	76.6%	23.4%	.0%	0.0%	100.0%
	% within location	8.1%	10.1%	.0%	0.0%	8.1%
	% of total	6.2%	1.9%	.0%	0.0%	8.1%
Other	Count	10	3	0	0	13
	%within Scenario	76.9%	23.1%	.0%	0.0%	100.0%
	% within location	2.3%	2.8%	.0%	0.0%	2.3%
	% of total	1.7%	0.5%	.0%	0.0%	2.3%
Total	Count	444	109	18	6	577
	%within Scenario	76.9%	18.9%	3.1%	1.0%	100.0%
	% within location	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	76.9%	18.9%	3.1%	1.0%	100.0%

Table 5: Frequency Distribution of Scenario II Responses by Geographical Location

Response		United States	New Zealand	Germany	Missing	Total
Nothing, go back to your normal duties as instructed	Count	148	18	7	1	174
	%within Scenario	85.1%	10.3%	4.0%	0.6%	100.0%
	within location	33.4%	16.4%	43.8%	16.7%	30.3%
	% of total	25.7%	3.1%	1.2%	0.2%	30.3%
Speak to your boss and ask for further clarification about the situation	Count	160	36	3	2	201
	%within Scenario	79.6%	17.9%	1.5%	1.0%	100.0%
	%within location	36.1%	32.7%	18.8%	33.3%	35.0%
	% of total	27.8%	6.3%	.5%	0.3%	35.0%
Speak to your boss and tell him/her that your are uncomfortable	Count	75	32	3	2	112
	%within Scenario	67.0%	28.6%	2.7%	1.8%	100.0%
	%within location	16.9%	29.1%	18.8%	33.3%	19.5%
	% of total	13.0%	5.6%	.5%	0.3%	19.5%
Speak to the company's Chief Ethics Officer	Count	50	23	2	1	76
	%within Scenario	65.8%	30.3%	2.6%	1.3%	100.0%
	%within location	11.3%	20.9%	12.5%	16.7%	13.2%
	% of total	8.7%	4.0%	.3%	0.2%	13.2%
Other	Count	10	1	1	0	12
	%within Scenario	83.3%	8.3%	8.3%	0.0%	100.0%
	%within location	2.3%	0.9%	6.3%	0.0%	2.1%
	% of total	1.7%	0.2%	.2%	0.0%	2.1%
Total	Count	443	110	16	6	575
	%within Scenario	77.0%	19.1%	2.8%	1.0%	100.0%
	%within location	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	77.0%	19.1%	2.8%	1.0%	100.0%

* Denotes that this questions is significant at the .05 level for Pearson Chi-Square

Table 6: Frequency distribution of Scenario III Responses by Geographical Location

Response		United States	New Zealand	Germany	Missing	Total
Confront the employee	Count	256	64	11	3	323
	%within Scenario	76.6%	19.2%	3.3%	0.9%	100.0%
	%within location	58.0%	61.5%	64.7%	50.0%	58.6%
	% of total	45.1%	11.3%	1.9%	0.5%	58.6%
Pretend you did not know what was happening	Count	75	13	3	0	88
	%within Scenario	82.4%	14.3%	3.3%	0.0%	100.0%
	%within location	17.0%	12.5%	17.6%	0.0%	16.0%
	% of total	13.2%	2.3%	.5%	0.0%	16.0%
Adjust the client's bill to accurately reflect the hours	Count	84	25	0	2	111
	%within Scenario	75.7%	22.5%	.0%	1.8%	100.0%
	%within location	19.0%	24.0%	.0%	33.3%	20.1%
	% of total	14.8%	4.4%	.0%	0.4%	20.1%
Other	Count	26	2	3	1	29
	%within Scenario	81.3%	6.3%	9.4%	3.4%	100.0%
	%within location	5.9%	1.9%	17.6%	16.7%	5.3%
	% of total	4.6%	0.4%	.5%	0.2%	5.3%
Total	Count	441	104	17	6	551
	%within Scenario	77.6%	18.3%	3.0%	1.1%	100.0%
	%within location	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	77.6%	18.3%	3.0%	1.1%	100.0%

Table 7: Frequency Distribution of Scenario IV Responses by Geographic Location

Response		United States	New Zealand	Germany	Missing	Total
Let them purchase the watch anyway	Count	167	41	5	2	215
	%within Scenario	77.7%	19.1%	2.3%	.9%	100.0%
	%within location	37.4%	36.6%	27.8%	33.3%	36.9%
	% of total	28.7%	7.0%	.9%	0.3%	36.9%
Refuse to sell them the watch	Count	16	3	1	0	20
	%within Scenario	80.0%	15.0%	5.0%	0.0%	100.0%
	%within location	3.6%	2.7%	5.6%	0.0%	3.4%
	% of total	2.7%	0.5%	.2%	0.0%	3.4%
Try and steer them towards other less expensive watches	Count	240	61	10	4	315
	%within Scenario	76.2%	19.4%	3.2%	1.3%	100.0%
	%within location	53.8%	54.5%	55.6%	66.7%	54.1%
	% of total	41.2%	10.5%	1.7%	0.7%	54.1%
Other	Count	23	7	2	0	32
	%within Scenario	71.9%	21.9%	6.3%	0.0%	100.0%
	%within location	5.2%	6.3%	11.1%	0.0%	5.5%
	% of total	4.0%	1.2%	.3%	0.0%	5.5%
Total	Count	446	112	18	6	582
	%within Scenario	76.6%	19.2%	3.1%	1.0%	100.0%
	%within location	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	76.6%	19.2%	3.1%	1.0%	100.0%

Table 8: Frequency Distribution of Scenario V Responses by Geographic Location

Response		United States	New Zealand	Germany	Missing	Total
Ask the person out on a date	Count	266	44	13	4	327
	%within Scenario	81.3%	13.5%	4.0%	1.2%	100.0%
	%within location	59.4%	39.3%	72.2%	66.7%	56.0%
	% of total	45.5%	7.5%	2.2%	0.7%	56.0%
Tell the person that it would be inappropriate to mix business and pleasure	Count	98	36	1	2	137
	%within Scenario	71.5%	26.3%	.7%	1.5%	100.0%
	%within location	21.9%	32.1%	5.6%	33.3%	23.5%
	% of total	16.8%	6.2%	.2%	0.3%	23.5%
Ignore the person's comments	Count	40	18	3	0	61
	%within Scenario	65.6%	29.5%	4.9%	0.0%	100.0%
	%within location	8.9%	16.1%	16.7%	0.0%	10.4%
	% of total	6.8%	3.1%	.5%	0.0%	10.4%
Other	Count	44	14	1	0	59
	%within Scenario	74.6%	23.7%	1.7%	0.0%	100.0%
	%within location	9.8%	12.5%	5.6%	0.0%	10.1%
	% of total	7.5%	2.4%	.2%	0.0%	10.1%
Total	Count	448	112	18	6	584
	%within Scenario	76.7%	19.2%	3.1%	1.0%	100.0%
	%within location	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	76.7%	19.2%	3.1%	1.0%	100.0%

* Denotes that this questions is significant at the .05 level for Pearson Chi-Square

Table 9: Frequency Distribution of Scenario VI Responses by Geographic Location

Response		United States	New Zealand	Germany	Missing	Total
Nothing, no one else has noticed it	Count	29	8	3	0	40
	%within Scenario	72.5%	20.0%	7.5%	0.0%	100.0%
	%within location	6.6%	7.3%	16.7%	0.0%	7.0%
	% of total	5.1%	1.4%	.5%	0.0%	7.0%
Tell my direct supervisor so that s/he can make the decision	Count	285	82	10	5	382
	%within Scenario	74.6%	21.5%	2.6%	1.3%	100.0%
	%within location	65.1%	75.2%	55.6%	83.3%	66.9%
	% of total	49.9%	14.4%	1.8%	0.9%	66.9%
Let the client know about the error	Count	107	17	3	1	128
	%within Scenario	83.6%	13.3%	2.3%	0.8%	100.0%
	%within location	24.4%	15.6%	16.7%	16.7%	22.4%
	% of total	18.7%	3.0%	.5%	0.2%	22.4%
Other	Count	17	2	2	0	21
	%within Scenario	81.0%	9.5%	9.5%	0.0%	100.0%
	%within location	3.9%	1.8%	11.1%	0.0%	3.7%
	% of total	3.0%	0.4%	.4%	0.0%	3.7%
Total	Count	438	109	18	6	571
	% within Scenario	76.7%	19.1%	3.2%	1.1%	100.0%
	% within location	100.0%	100.0%	100.0%	100.0%	100.0%
	% of total	76.7%	19.1%	3.2%	1.1%	100.0%