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Cultural Identity and Ethical Decision Making: An Experiential Exercise

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This experiential exercise enables students to explore an ethical decision and the relationship between cultural identity (as operationalized by Hofstede) and ethical decision making. The exercise involves a short case that can also be used as a role-play. Complete instructions for running and debriefing the exercise as either a case or a role-play and all materials are included. *Organization Management Journal*, 11: 17–30, 2014. doi: 10.1080/15416518.2014.903104

Keywords ethical decision making; cultural identity; Hofstede; experiential exercise; role-play

INTRODUCTION

This article describes an experiential exercise with two major components: ethical decision making and cultural identity. We briefly review these components as they relate to the exercise then provide guidelines for running and debriefing the exercise.

Ethical Decision Making and Cultural Identity

There is extensive research and literature focused on ethical reasoning and decision making, particularly from a cognitive-developmental perspective (Kohlberg, 1979, 1984; Rest, 1979, 1986). Beyond individual factors, there are a number of situational and contextual variables that may influence perceptions of ethical dilemmas, ethical decision making, and behavior (McDevitt et al., 2007; Ferrell & Gresham, 1985; Jones, 1991). One such influence that has received considerable attention from scholars and researchers is *culture*. There is extensive research in the area of cross-cultural differences and the role national culture plays in ethical reasoning and the resolution of ethical conflicts (Ahmed et al., 2003; Hunt & Vitell, 1986;

Jackson & Artola, 1997; Robertson et al., 2002; Sims & Gegez, 2004; Thorne & Saunders, 2002). Cross-cultural studies support the proposition that there are differences in ethical reasoning among professionals with similar backgrounds across national borders (Etherington & Schulting, 1995; Ponemon & Gabhart, 1993; Tsui, 1996; Tsui & Windsor, 2001).

This exercise uses a short case study or role-play exercise to expose students to the potential implications of cultural identity for ethical decision making using Hofstede's typology to differentiate national cultures.

Hofstede's Cultural Dimensions

A framework commonly used to distinguish national cultures in studies of cross-cultural ethics is that of Geert Hofstede (1980). Hofstede defined culture as "the collective programming of the mind that distinguishes the members of one group or category of people from another" (2001, p. 9). Hofstede (1980, 1983, 1984) developed a typology of cultural differences based on four primary dimensions; individualism, power distance, uncertainty avoidance, and masculinity. In a smaller scale study, Bond and Hostede (1988) identified a fifth dimension, *Confucian dynamism* or orientation toward time.

Hofstede's cultural typology has been adopted extensively in research exploring the relationship between culture and ethical perceptions, attitudes, and behavior (Hume & Austin, 2006; Hunt & Vitell, 1992; Lu et al., 1991; Sims & Gegez, 2004; Su et al., 2006; Tavakoli et al., 2003; Thorne & Saunders, 2002; Vitell et al., 1993). The use of Hofstede's dimensions in cross-cultural research has been validated through empirical studies such as the cross-cultural study of corruption by Husted (1999). Therefore, Hofstede's original typology has been adopted for use in this exercise. The four cultural dimensions are discussed next. Given the limited scope of the Bond and Hofstede study with respect to the number of countries researched and the limited application of Confucian dynamism to ethical decision making, the fifth dimension was not used in the exercise.

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Individualism/collectivism. The individualism/collectivism dimension “describes the relationship between the individual and the collectivity that prevails in a given society” (Hofstede, 1980, p. 148). In individualistic societies, a “loosely knit social framework” exists in which people are “supposed to take care of themselves and their immediate families only” (Hofstede, 1984, p. 83). Individuals tend to focus on self-interest, and individual achievement is recognized and rewarded. Personal interests are perceived to be more important than group interests (Hofstede, 1984). Collectivist societies, on the other hand, have a “tightly knit social framework” in which people distinguish between in-groups and out-groups and expect their in-group to look after them in exchange for loyalty (Hofstede, 1984, p. 83). People in collectivist societies recognize the importance of the welfare of the group as it takes precedence over the interests of the individual. They also perceive benefits that come from “belonging” and the sacrifice of self-interest in pursuit of the goals of the collective (Hofstede & Bond, 1988).

This dimension suggests that people from countries ranking high in individualism will be less susceptible to group influences, including professional, industry, and organizational norms, than those from countries that are more collectivist (Vitel et al., 1993). Hume et al. (2006) found that accountants from societies ranking high in individualism (the United States, the Netherlands, New Zealand, Germany) were less likely to subordinate their own personal ethics and principles when they conflicted with the values of the firm, were more likely to object to others’ questionable actions, and would more likely indicate disagreement when asked to compromise personal principles for the values of the organization. Accountants from societies that ranked low in individualism (Mexico, Hong Kong, Venezuela, Chile) were more willing to adhere to firm values when those values conflicted with their personal beliefs and to follow actions that conformed to the expectations of the organization even when such actions were counter to personal values (Hume et al., 2006).

Tsui and Windsor (2001) found significant differences in the Defining Issues Test (DIT)¹ scores of auditors in Australia and China. The authors found that the Australian auditors, who are more individualistic, had higher ethical reasoning scores than the Chinese auditors, who are less individualistic. The authors contend that higher ethical reasoning scores are consistent with individualism because the postconventional or principled level involves the adherence to a personal moral code, personally held principles (Tsui & Windsor, 2001). These findings were consistent with a study that compared deliberative reasoning of Canadian and Chinese students conducted by Ge and Thomas (2007).

A study by Christie et al. (2003) examined the differences in ethical attitudes between cultures that ranked high in individualism and those that were more collectivist oriented. They found that the respondents from the United States, ranking high in individualism, considered nepotism, software piracy,

and sharing insider information as more unethical than did respondents from India and Korea who are more collectivist (Christie et al., 2003).

In a study of business and government personnel by Dolecheck and Dolecheck (1987), the respondents from Hong Kong, a collectivist society, perceived a direct link between ethical behavior and following the law, while the respondents from the United States, a society ranking high in individualism, viewed legal requirements as only minimal ethical standards.

Power distance. The dimension of power distance indicates the extent to which a society accepts the fact that “power in institutions and organizations is distributed unequally” among individuals (Hofstede, 1984, p. 83). People in a high power distance society accept inequality of power between superiors and subordinates, and respect the chain of command (Hofstede, 1984, 1991). People from low power distance societies are less likely to accept such differences.

This dimension suggests that people from high power distance societies are more likely than people from low power distance cultures to accept the inequality of power and, therefore, less likely to question or challenge the unethical behavior of superiors and more likely to take their ethical cues from superiors (Vitel et al., 1993). Christie et al. (2006) found that respondents in India, a high power distance culture, were less likely to challenge the commands of supervisors considered unethical than were respondents from the United States, a low power distance society. Individuals in the United States may be more inclined to approach a superior and less likely to accept their superiors’ questionable practices (Su, 2006).

Tsui and Windsor (2001) found that cultures ranking lower in power distance have higher ethical reasoning scores than cultures that accept the unequal distribution of power. They contend that higher ethical scores are consistent with lower acceptance of power distance cultures characterized by equality and a social justice orientation (Tsui & Windsor, 2001).

Masculinity/femininity. Masculinity refers to the extent to which the dominant values in society tend toward a preference for “achievement, heroism, assertiveness, and material success” (Hofstede, 1985, 348). People in masculine societies tend to be aggressive, ambitious, and competitive (Hofstede, 1991). Feminine cultures value human relationships and quality of life (Hofstede, 1984). Feminine societies tend to be modest, humble, and nurturing (Hofstede, 1991).

Vitell et al. (1993) proposed that business practitioners in countries that rank high in masculinity, characterized by aggressiveness and competitiveness, are less likely to “perceive ethical problems” than practitioners from feminine cultures.

Uncertainty avoidance. Uncertainty avoidance indicates the extent to which a society is uncomfortable with ambiguous situations, “leading them to support beliefs promising certainty” (Hofstede, 1985, 347). Such societies avoid uncertainty by providing rules, believing in absolute truths, and refusing to tolerate deviance. People in high uncertainty avoidance societies believe

in the consistent and rigid adherence to rules and guidelines (Hofstede, 1983).

Societies that are uncomfortable with ambiguity and rank high in uncertainty avoidance may rely more heavily on organizational rules and norms than those with lower rankings. They have lower tolerance for deviations from organizational or groups rules and norms (Blodgett, et al., 2001). People from cultures with high uncertainty avoidance are more likely to equate legal requirements with ethical norms (Cohen et al., 1993). Vitell et al. (1993) proposed that business practitioners in high uncertainty avoidance cultures are more likely to consider formal organizational, professional, and industry rules/norms when forming personal values than practitioners from low uncertainty avoidance societies. In line with this thinking, higher ethical reasoning scores are consistent with societies with strong uncertainty avoidance (Tsui and Windsor, 2001).

Thus, culture has significant implications for ethical reasoning. The exercise described next provides an opportunity for students to explore some of the dynamics of this relationship.

DESCRIPTION OF THE EXERCISE

Objectives

- Help students develop a deeper understanding of Hofstede's dimensions.
- Provide students with the opportunity to explore an ethical decision.
- Enable students to explore the relationship between cultural identity and ethical decision making.

Audience

- Undergraduate and MBA students in Management, Organizational Behavior, Ethics, Diversity, and other related courses where understanding the impact of culture is included.

Time Allocation²

Option 1, Case: 1 hour, 40 minutes.

Option 2, Role-Play: 2 hours.

Exercise Instructions

This exercise involves a short case with two options. Option 1 comprises two short, structured case analyses and worksheets. Option 2 is a two-person role-play based on the cases. Each case presents the same ethical dilemma, faced by the same executive, in one of two fictional cultures, Trafalia and Relopia. The cases describe the culture of each country based on Hofstede's dimensions. To enhance the differences, the cultures fall on different ends of individualism/collectivism, power distance, masculinity/femininity, and uncertainty avoidance continua.

Trafalia ranks low in power distance, high in individualism, low in uncertainty avoidance, and high in masculinity. Relopia ranks high in power distance and is more collectivist and ranks low in individualism. It ranks low in masculinity and high in uncertainty avoidance. These cultures are roughly modeled on the United States (Trafalia) and Panama (Relopia).

Fictional cultures were chosen for a number of reasons. First, the cultural differences could be enhanced to present a clearer comparison. Second, this precluded the potential that someone's culture might be seen as less ethical than another culture. Third, it took students out of the cultural "water that they swim in" so they could be more aware of the way culture might influence their decisions.

Prior to both exercise options, the instructor should review Hofstede as necessary.³

Option 1: Case Instructions

1. Pass out and instruct students to read the *Mahogany Case* for either Trafalia or Relopia (Appendices A and B) (10 minutes).
 - Give half the class the *Mahogany Case: Trafalia* (Appendix A) and half the class the *Mahogany Case: Relopia* (Appendix B).
 - Explain to participants they are now citizens of one of two different nations: Trafalia and Relopia. These countries have different cultures. They will be taking the perspective of an executive (Alex Wilson) in this culture who must make a difficult decision.
 - Their task is to use the cultural dimensions described at the beginning of the case as the lens through which they will read the case material and arrive at a decision about what to do.
2. After students have read the case, ask them to complete the worksheet that corresponds to their assigned culture (*Worksheet: Trafalia Case Analysis* [Appendix C] or *Worksheet: Relopia Case Analysis* [Appendix D]) (10 minutes).
3. As a class discuss the case worksheets⁴ (65 minutes).
 - Start with question 3 (In terms of the following Hofstede dimensions, what is the primary cultural identity of Trafalia/Relopia?). Do each culture in turn. Show a PowerPoint of the Trafalia cultural description (see Appendix E) and discuss each of the dimensions. Repeat for Relopia (Appendix F) (10 minutes).
 - Move to question 1 (What should Alex do?) and record, on a PowerPoint (see Appendix G) or the board, the decision outcomes for each culture in turn. Ask for a show of hands: "How many in the Trafalia culture decided 'Don't Tell?'" Record. Repeat for all the options. Record any "Other" responses. Repeat for Relopia (5 minutes).
 - Discuss the pattern of decisions (5 minutes).

- Move students into mixed-culture groups (half Trafalia, half Relopia) of approximately four to seven and have them compare their answers to question 2 (What about the situation influenced you most when you were making your decision about what Alex should do?). Ask them to identify patterns of differences and similarities between the two cultures (15 minutes).
 - Groups report out and discuss (15 minutes).
 - Bring the class back together and discuss question 4 (In what ways did Trafalia's/Relopia's cultural identity influence the decisions about what Alex should do?) (15 minutes).
4. Wrap-up discussion (15 mins):
- What can we learn about how other cultures make decisions from this experience?
 - How can this experience enhance our cultural awareness?
 - What are the limitations of thinking about ethical decision making from this perspective? What are the benefits?
 - Do you think someone in Alex's position would have actually made the decision you did? Why or why not?

Option 2: Role Play Instructions

1. Assign student roles. There are four roles (10 minutes):

- a. Alex, Trafalia (Appendix H).
- b. Uncle James, Trafalia (Appendix I).
- c. Alex, Relopia (Appendix J).
- d. Uncle James, Relopia (Appendix K).

The easiest way to do this is to break the class into two large country groups (Trafalia and Relopia) and have each group go to a different side of the room. This arrangement also helps with the debrief.

- Explain to the participants that they are now citizens of one of two different nations: Trafalia and Relopia. These countries have different cultures. They will be taking on the role of a citizen of one of these countries.
- Their task is to use the cultural dimensions described at the beginning of their role as the lens through which they will read the material and conduct the role-play.
- As with all role-plays, explain that the experience will be meaningful to the degree that they are willing to try to put themselves into the reality of the role they are taking on.⁵
- Within each country group, have the students pair up (or you may choose to pair them by counting them off in pairs). In each pair give one the Alex role and one the Uncle James role.
- You may also elect to assign an observer (or observers), either one per role-play pair or one or

more per country. If you choose this option, give the observers both case roles for their country. Observers should pay special attention to the impact of cultural identity.

2. Have students read and prepare to have a telephone conversation with each other (10 minutes):
 - Those in the Uncle James role should be instructed to read only Part I. You may elect to hand out Part II (see following material) separately or put it on the back of Part I.
 - Reemphasize the importance using the cultural lens of their country as they prepare what they will say and how they will behave.
3. Conduct the role-play telephone conversation (10 minutes).
4. At the conclusion of the role-play complete the worksheets as described in the following (10 minutes):
 - Instruct those in the Alex role to complete the *Worksheet: Role-Play, Alex* (Appendix L).
 - Instruct those in the Uncle James role to complete the *Worksheet: Role-Play, Uncle James Part I* (Appendix M). Distribute Part II of the case and instruct those in the Uncle James role to complete the *Worksheet: Role-Play, Uncle James Part II*. (Appendix M).
5. As a class discuss the Role-Play Worksheets⁶ (65 minutes).
 - Start with question 3 (In terms of the following Hofstede dimensions, what is the primary cultural identity of Trafalia/Relopia?) Do each culture in turn. Show a PowerPoint of the Trafalia cultural description (see Appendix E) and discuss each of the dimensions. Repeat for Relopia (Appendix F) (10 minutes).
 - Move to question 1 (What did Alex do?) and record, on a PowerPoint (see Appendix G) or the board, the decision outcomes for each culture in turn. Ask for a show of hands: "How many in the Trafalia culture decided 'Didn't tell?'" Record. Repeat for all the options. Record any "Other" responses. Repeat for Relopia (5 minutes).
 - Discuss the pattern of decisions (5 minutes).
 - Move students into same-role, mixed-culture groups of approximately four to seven. Have them compare their answers to question 2 and identify patterns of differences and similarities between the two cultures (15 minutes).
 - Alex, half Trafalia, half Relopia: What about the situation influenced you most when you were making your decision about what Alex should do?
 - Uncle James, half Trafalia, half Relopia: What did you think Alex should have done? Why?
 - Groups report out and discuss (15 minutes).
 - Start with the Uncle James groups.

- Then ask the Alex groups to explain what factors led them to their decision.
 - Bring the class back together and discuss question 4 (In what ways did Trafalia's/Relopia's cultural identity influence the decisions about what Alex did or should have done?) (15 minutes).
6. Wrap-up discussion (20 minutes).
- What can we learn about how other cultures make decisions from this experience?
 - How can this experience enhance our cultural awareness?
 - What are the limitations of thinking about ethical decision making from this perspective? What are the benefits?
 - Do you think someone in Alex's position would have actually made the decision you did? Why or why not?

TEACHING GUIDELINES

The variables that influence decision making in general and any specific decision are legion. One of these is culture. The purpose of this exercise is to provide students with a vehicle to explore the nature of that relationship in the context of an ethical dilemma.

It is important to keep in mind that the exercise is a vehicle for reflection and discussion it is *not* intended to provide any right or wrong answers or suggest that one culture is more or less ethical. The case is a situation of competing goods with no "right" answer. There is a legally right answer and, for some, a morally right answer, but they may not be the same answer. The authors have found that asking questions rather than providing answers is the most effective approach to debriefing the exercise.

There is information in the cases and role-play that it is illegal in both cultures for Alex to "tell," making the situation seem clear-cut—"It is illegal so it is wrong, period." But, is it really? Legality and ethical behavior are not isomorphic. This is one of the topics that can be discussed in the debrief. When are we likely to "break the rules/law"? When is breaking the rules/law more ethical than following the rules/law? Is it ever? To not "knowingly do harm" is a fundamental rule in most ethical traditions, and the one used by Drucker (1973). It seems straightforward on the surface. But what about a situation where some harm to someone is unavoidable? Whom do we choose? Who deserves our first loyalty? And how do we define harm? To add to this, what happens when what is legal and what is ethical become uncoupled, at least in the mind of the decision maker? The simplistic "it's legal, so it must be the right thing to do" is not always what drives (or in some cases should drive) the decision maker. Taken to extreme, blindly doing what is legal becomes the Nuremberg defense. The fact is that people do not always do what is legal. Sometimes there are other "harms" or incentives that are more powerful. How do we perceive these harms and incentives? How do we prioritize them? What do we

pay attention to and what do we ignore? Exploring how cultural differences can help us answer these questions is one of the main objectives of this exercise.

Thus, the idea of the exercise is not to determine what, for example, the "right" answer is for a Trafalian Alex, but to think about how the issues that a Trafalian Alex considers differ from what a Relopian Alex might consider. One particularly useful way to approach this is in terms of where the ethical conflicts lie and what the differences are. Question 2 on the worksheets is particularly useful in this regard. Ask questions that focus students on the difference between their rankings of what was most/least important to them, what aspects of each variable they focused on, and why.

In debriefing the exercise, the instructor may want to discuss how Hofstede's dimensions shed light on cultural differences that influence perceptions of ethical dilemmas and ethical decision making. However, although the exercise is set up to magnify the cultural differences between Trafalia and Relopia, there will be similarities between national cultures as well. Countries may differ along certain dimensions while exhibiting similar cultural orientation along others. For example, Malaysia's rankings are quite different from the United States in power distance and individualism, yet they are closely ranked with respect to uncertainty avoidance. Mexico ranks higher than the United States in uncertainty avoidance, which may indicate a greater tendency to consider formal codes of ethics. But Mexico also ranks high in masculinity, which may suggest that people are less likely to be influenced by such codes (Vitell et al., 1993). Thus, it is also important to point out the effects of the interaction of these dimensions. Studies, such as the comparative study of the propensity of Croatian and U.S. managers to whistleblow conducted by Tavakoli et al. (2003), applied and considered the interactive effects of Hofstede's dimensions. Be sure to point out that the differences between cultures are not always clear, given these interactive effects.

When discussing cultural differences, it is important to avoid cultural stereotyping. This is easier to do if during your initial discussion of Hofstede you discussed the variability within cultures and the existence of subcultures. You may want to note that although there is some commonality among regional cultures, for example, Asian culture, there are also fundamental differences between countries with respect to cultural orientation. For example, Hong Kong and Korea differ dramatically with respect to uncertainty avoidance and masculinity. Students, therefore, should be encouraged to avoid the temptation to generalize about regional cultural dimensions. One way to enhance this discussion is to ask students from different parts of the United States to describe their experiences with those from different regions of the country.

STUDENT FEEDBACK

Forty-six senior undergraduates rated how effectively the exercise met the objectives on a 5-point Likert-type scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*). Their

mean responses were 4.2–4.3, indicating that they believed the exercise effectively met its learning objectives. Their qualitative responses supported this conclusion.⁷

We have also used this exercise with 38 MBA students in three different classes. Unfortunately, we do not have any quantitative or recorded qualitative data. Informally debriefing the effectiveness of the exercise with the MBA students suggested a response similar to those of the undergraduates.

NOTES

1. The DIT (Defining Issues Test) is an instrument for assessing moral schemas in terms of Kohlberg's (1979, 1984) theory of moral development.
2. This time allocation is approximate, as are all time estimates for the separate steps, and is meant as a guideline only. The actual time will depend on the size of the class and the depth to which the instructor wants to take the discussions. The time may be lengthened or shortened accordingly. In addition, this does not include the review of Hofstede, as the time that will take will depend on the needs of the specific class.
3. See Hofstede (1980, 1983, 1984, 1991).
4. The discussion can also be done in small (five to seven people), same-culture groups, then reported out and discussed. You may also want to consider projecting a PowerPoint with brief descriptions and examples of Hofstede's cultural dimensions.
5. A very useful discussion of this can be found in Seltzer (2001).
6. The discussion can also be done in small (five to seven people), same-culture groups, then reported out and discussed. You may also want to consider projecting a power point with brief descriptions and examples of Hofstede's cultural dimensions.
7. The evaluation form and a discussion of the qualitative responses can be found in Appendix N.
8. These questions were presented separately on the actual exercise evaluation. They are combined here.

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APPENDIX A: MAHOGANY CASE, TRAFALIA

This case takes place in the country of Trafalia. The people of Trafalia tend to be ambitious and competitive, seeking material success and monetary rewards for high achievement; they do not accept the unequal distribution of power among members of its society, organizations, or groups and expect inequalities to be minimized; they are highly individualistic and typically put self-interests above those of groups or organizations, looking out for themselves and their own personal needs; they tend to be fairly tolerant of uncertainty and ambiguity.

Alex Wilson just retired from Mahogany Corporation, a publicly traded fine furniture manufacturer, after serving as chief executive officer (CEO) for 10 years. The Mahogany organization is more organic than bureaucratic, with less emphasis on formalized rules and procedures; the organization's structure is decentralized and employees are empowered to make decisions and even question the decisions of supervisors or top management; there is tolerance for ambiguity, and innovative thinking

to deal with uncertainty is encouraged; individual achievement and success are valued and rewarded monetarily; employees tend to be competitive and ambitious.

Alex is 68 years old, married with two grown children and three grandchildren. Alex owns a home in a prestigious area outside of Trafalia's capital city and also a vacation home in a nearby seaside town. Following retirement, Alex was asked to continue as a member of the firm's Board of Directors, who unanimously petitioned to retain Alex as Chair of the Board out of their respect for Alex's skills and accomplishments as CEO of Mahogany. Alex was responsible for recruiting many of the members of the Board of Directors.

Mahogany's major supplier declared bankruptcy last month and it has been difficult to procure the necessary fine woods to keep production moving smoothly. Because of new environmental regulations, procuring fine hardwoods has become increasingly difficult—industry wide. However, this is not a problem for Mahogany's major competitor as it is vertically integrated and therefore has no difficulty in obtaining its raw materials.

The bankruptcy of Mahogany's major supplier has not yet affected the market price of the stock, but is expected to do so in the near future. It is the general feeling of management that the procurement problem will not be resolved without reducing this year's profit. Therefore, at yesterday's Board meeting, it was decided that the next stockholders' dividends would be reduced significantly. This decision to reduce dividends is absolutely confidential. All Board members are expected to maintain absolute confidentiality related to all Board activities. A long-time Board member was ousted last year for leaking information to the press. In addition, board members of publicly traded firms are under increased regulatory and public scrutiny related to their fiduciary responsibilities. The courts are increasing penalties to those convicted of insider trading, including large fines and long prison terms.

The phone rang just after dinner tonight. It was Alex's elderly Uncle James. As a former employee of Mahogany, James had invested virtually all of his retirement savings in the company's stock. Because Mahogany's profits grew steadily over the previous eight years, the company has been able to pay high dividends to its stockholders on a consistent basis. Mahogany has always encouraged investment in the company by current and former employees and they were rewarded with high dividend payments.

Alex is particularly close to Uncle James and his wife Emily, who raised him after the death of his parents in an accident. Alex and James have continued to enjoy a strong and committed relationship. Alex is very concerned about Aunt Emily, who is currently undergoing chemotherapy. Her medical bills are substantial. Alex, who has a well-diversified portfolio of investments, has tried to help Uncle James in the past. However, Uncle James has consistently refused any financial help offered by Alex.

In the course of the conversation, James asked how things were going at Mahogany and expressed his confidence in the soundness of his investment under Alex's continuing involvement.

Alex now faces a dilemma. What should Alex tell Uncle James? Why? Be sure to base your decision on the cultural values of Trafalia, not on your own personal beliefs.

APPENDIX B: MAHOGANY CASE, RELOPIA

This case takes place in the country of Relopia. Communities are tight knit in Relopia and people look out for one another, often putting the needs of their family, friends, and neighbors ahead of their own interests; they are committed to the groups with whom they affiliate; the people of Relopia tend to value relationships and the quality of life over material success; there is an acceptance of unequal distribution of power in families, organizations, and communities; in avoiding uncertainty, the people of Relopia rely heavily on law and community rules and regulations to guide their behavior.

Alex Wilson just retired from Mahogany Corporation, a publicly traded fine furniture manufacturer, after serving as chief executive officer (CEO) for 10 years. The Mahogany Corporation organization is hierarchically structured and decision making is tightly held by top management; employees respect the chain of command and rarely question the decisions of supervisors or top management; the organization is highly bureaucratic and organizational rules are important, as members of the Mahogany organization find it difficult to deal with ambiguity; Mahogany takes care of its employees, and during his term as CEO, Alex demonstrated a paternalistic commitment toward all of the members of the group that comprised the Mahogany organization, both current employees and retirees; employees were loyal; relationships among members of the organization are important; employees value quality of life, and the holiday and vacation time afforded them was generous.

Alex is 68 years old, married with two grown children and three grandchildren. Alex owns a home in a prestigious area outside of Relopia's capital city and also a vacation home in a nearby seaside town. Following retirement, Alex was asked to continue as a member of the firm's Board of Directors, who unanimously petitioned Alex to Chair of the Board out of respect for Alex and his position as the former CEO of Mahogany. Alex was responsible for recruiting many of the members of the Board of Directors and they admired his wisdom and experience.

Mahogany's major supplier declared bankruptcy last month and it has been difficult to procure the necessary fine woods to keep production moving smoothly. Because of new environmental regulations, procuring fine hardwoods has become increasingly difficult—industry wide. However, this is not a problem for Mahogany's major competitor as it is vertically integrated and therefore has no difficulty in obtaining its raw materials.

The bankruptcy of Mahogany's major supplier has not yet affected the market price of the stock, but is expected to do so in the near future. It is the general feeling of management that the procurement problem will not be resolved without reducing this year's profit. Therefore, at yesterday's Board meeting, it was decided that the next stockholders' dividends would be reduced significantly. This decision to reduce dividends is absolutely confidential. All Board members are expected to maintain absolute confidentiality related to all Board activities. A long-time Board member was ousted last year for leaking information to the press. In addition, board members of publicly traded firms are under increased regulatory and public scrutiny related to their fiduciary responsibilities. The courts are increasing penalties to those convicted of insider trading, including large fines and long prison terms.

The phone rang just after dinner tonight. It was Alex's elderly Uncle James. As a former employee of Mahogany, James had invested virtually all of his retirement savings in the company's stock. Because Mahogany's profits grew steadily over the previous eight years, the company has been able to pay high dividends to its stockholders on a consistent basis. Mahogany has always encouraged investment in the company by current and former employees and has rewarded their loyalty with high dividend payments.

Alex is particularly close to Uncle James and his wife Emily, who raised him up after the death of his parents in an accident. Alex and James continue to enjoy a father/son relationship. Alex is strongly committed to his family and is very concerned about Aunt Emily, who is currently undergoing chemotherapy. Her medical bills are substantial. Alex, who has a well-diversified portfolio of investments, has tried to help Uncle James in the past. However, Uncle James, patriarch of the family, is a very proud man and has consistently refused any financial help offered by Alex.

In the course of the conversation, James asked how things were going at Mahogany and expressed his confidence in the soundness of his investment under Alex's continuing involvement.

Alex now faces a dilemma. What should Alex tell Uncle James? Why? Be sure to base your decision on the cultural values of Relopia, not on your own personal beliefs.

APPENDIX C: WORK SHEET: TRAFALIA CASE ANALYSIS

1. What should Alex do? (Please put a check mark next to the one that most closely expresses what Alex should do.)
 - Don't tell (Strictly follow the spirit and letter of the law)
 - Hint (Follow the letter of the law)
 - Tell (Ignore the law, family is more important)
 - Other (Please explain):
2. What about the situation influenced you most when you were making your decision about what Alex should do?

3. In terms of the following Hofstede dimensions, what is the primary cultural identity of Trafalia? Circle “High” or “Low” for each dimension.

- Power distance High Low
- Individualism High Low
- Uncertainty avoidance High Low
- Masculinity High Low

4. Based on the above, how did Trafalia’s cultural identity influence your decision about what Alex should do?

APPENDIX D: WORK SHEET: RELOPIA CASE ANALYSIS

1. What should Alex do? (Please put a check mark next to the one that most closely expresses what Alex should do.)

- _____ Don’t tell (Strictly follow the spirit and letter of the law)
- _____ Hint (Follow the letter of the law)
- _____ Tell (Ignore the law, family is more important)
- _____ Other (Please explain):

2. What about the situation influenced you most when you were making your decision about what Alex should do?

3. In terms of the following Hofstede dimensions, what is the primary cultural identity of Relopia? Circle “High” or “Low” for each dimension.

- Power distance High Low
- Individualism High Low
- Uncertainty avoidance High Low
- Masculinity High Low

4. Based on the above, in what ways did Relopia’s cultural identity influence your decision about what Alex should do?

APPENDIX E: MAHOGANY CASE, TRAFALIA

This case takes place in the country of Trafalia. The people of Trafalia tend to be ambitious and competitive, seeking material success and monetary rewards for high achievement; they do not accept the unequal distribution of power among members of its society, organizations, or groups and expect inequalities to be minimized; they are highly individualistic and typically put self-interests above those of groups or organizations, looking out for themselves and their own personal needs; they tend to be fairly tolerant of uncertainty and ambiguity.

- Power distance High Low
- Individualism High Low
- Uncertainty avoidance High Low
- Masculinity High Low

APPENDIX F: MAHOGANY CASE, RELOPIA

This case takes place in the country of Relopia. Communities are tight-knit in Relopia and people look out for one another, often putting the needs of their family, friends, and neighbors ahead of their own interests; they are committed to the groups with whom they affiliate; the people of Relopia tend to value relationships and the quality of life over material success; there is an acceptance of unequal distribution of power in families, organizations, and communities; in avoiding uncertainty, the people of Relopia rely heavily on law and community rules and regulations to guide their behavior.

- Power distance High Low
- Individualism High Low
- Uncertainty avoidance High Low
- Masculinity High Low

APPENDIX G

Case

Trafalia

- _____ Don’t tell (Strictly follow the spirit and letter of the law)
- _____ Hint (Follow the letter of the law)
- _____ Tell (Ignore the law, family is more important)
- _____ Other (Please explain):

Relopia

- _____ Don’t tell (Strictly follow the spirit and letter of the law)
- _____ Hint (Follow the letter of the law)
- _____ Tell (Ignore the law, family is more important)
- _____ Other (Please explain):

Role-Play

Trafalia

- _____ Didn’t tell (Strictly follow the spirit and letter of the law)
- _____ Hinted (Follow the letter of the law)
- _____ Told (Ignore the law, family is more important)
- _____ Other (Please explain):

Relopia

- _____ Didn't tell (Strictly follow the spirit and letter of the law)
- _____ Hinted (Follow the letter of the law)
- _____ Told (Ignore the law, family is more important)
- _____ Other (Please explain):

APPENDIX H: MAHOGANY CASE, ALEX WILSON ROLE, TRAFALIA

You live in the country of Trafalia. The people of Trafalia tend to be ambitious and competitive, seeking material success and monetary rewards for high achievement; they do not accept the unequal distribution of power among members of its society, organizations, or groups and expect inequalities to be minimized; they are highly individualistic and typically put self-interests above those of groups or organizations, looking out for themselves and their own personal needs; they tend to be fairly tolerant of uncertainty and ambiguity.

You have just retired from Mahogany Corporation, a publicly traded fine furniture manufacturer, after serving as chief executive officer (CEO) for 10 years. The Mahogany organization is more organic than bureaucratic, with less emphasis on formalized rules and procedures; the organization's structure is decentralized and employees are empowered to make decisions and even question the decisions of supervisors or top management; there is tolerance for ambiguity, and innovative thinking to deal with uncertainty is encouraged; individual achievement and success are valued and rewarded monetarily; employees tend to be competitive and ambitious.

You are 68 years old, married with two grown children and three grandchildren. You own a home in a prestigious area outside of Trafalia's capital city and also a vacation home in a nearby seaside town.

Following retirement, you were asked to continue as a member of the firm's Board of Directors, who unanimously petitioned you to chair the Board because of their respect for your skills and accomplishments as CEO of Mahogany. You were responsible for recruiting most of the members of the Board of Directors.

Mahogany's major supplier declared bankruptcy last month and it has been difficult to procure the necessary fine woods to keep production moving smoothly. Because of new environmental regulations, procuring fine hardwoods has become increasingly difficult—industry wide. However, this is not a problem for Mahogany's major competitor as it is vertically integrated and therefore has no difficulty in obtaining its raw materials.

The bankruptcy of Mahogany's major supplier has not yet affected the market price of the stock, but is expected to do so in the near future. It is the general feeling of management that the procurement problem will not be resolved without reducing this year's profit. Therefore, at yesterday's Board meeting, it was decided that the next stockholders' dividends would be

reduced significantly. This decision to reduce dividends is absolutely confidential. All Board members are expected to maintain absolute confidentiality related to all Board activities. A long-time Board member was ousted last year for leaking information to the press. In addition, board members of publicly traded firms are under increased regulatory and public scrutiny related to their fiduciary responsibilities. The courts are increasing penalties to those convicted of insider trading, including large fines and long prison terms.

The phone rang just after dinner tonight. It was your elderly Uncle James. As a former employee of Mahogany, James has invested virtually all of his retirement savings in the company's stock. Because Mahogany's profits grew steadily over the previous eight years, the company has been able to pay high dividends to its stockholders on a consistent basis. Mahogany has always encouraged investment in the company by current and former employees and has rewarded their loyalty with high dividend payments.

You are particularly close to Uncle James and his wife Emily, who brought you up after your parents were killed in an accident. You are very concerned about Aunt Emily, who is currently undergoing chemotherapy. Her medical bills are substantial. You have a well-diversified portfolio of investments and have tried to help Uncle James in the past. However, Uncle James is a very proud man and has consistently refused any of your financial help.

You are about to face a dilemma. What should you tell Uncle James, if anything? Why? Be sure to base your decision on the cultural values of Trafalia, not on your own personal beliefs.

APPENDIX I: MAHOGANY CASE, UNCLE JAMES ROLE, TRAFALIA**Part I**

You live in the country of Trafalia. The people of Trafalia tend to be ambitious and competitive, seeking material success and monetary rewards for high achievement; they do not accept the unequal distribution of power among members of its society, organizations, or groups and expect inequalities to be minimized; they are highly individualistic and typically put self-interests above those of groups or organizations, looking out for themselves and their own personal needs; they tend to be fairly tolerant of uncertainty and ambiguity.

You are a 78-year-old former employee of Mahogany Corporation, a publicly traded fine furniture manufacturer. You are the uncle of Alex Wilson, just retired from Mahogany, after serving as chief executive officer (CEO) for 10 years. You are very proud of Alex, whom you brought up after his/her parents were killed in an accident.

Alex is 68 years old, married with two grown children and three grandchildren. Alex owns a home in a prestigious area outside of Trafalia's capital city and also a vacation home in a nearby seaside town. Following retirement, Alex was asked to continue as a member of the firm's Board of Directors, who

unanimously petitioned to retain Alex as Chair of the Board out of their respect for Alex's skills and accomplishments as CEO of Mahogany. Alex was responsible for recruiting many of the members of the Board of Directors.

Virtually all of your retirement savings are invested in the company's stock. Because Mahogany's profits grew steadily over the previous eight years, the company has been able to pay high dividends to its stockholders on a consistent basis. Mahogany has always encouraged investment in the company by current and former employees and has rewarded their loyalty with high dividend payments.

You are happy with the security and soundness of your investment, especially now that Alex has agreed to remain as Chair of the Board. This security is particularly important now that Emily, your wife of 50 years, is currently undergoing chemotherapy and the medical bills are substantial. Alex, who has a large and well-diversified portfolio of investments, has tried to help you in the past. However, you are very proud and have consistently refused any financial help offered by Alex.

You know that there was a Board meeting today and you decide to call Alex to find out how everything is going at Mahogany. You know that all Board members are expected to maintain absolute confidentiality related to all Board activities. In fact, a long-time Board member was ousted last year for leaking information to the press. In addition, board members of publicly traded firms are under increased regulatory and public scrutiny related to their fiduciary responsibilities. The courts are increasing penalties to those convicted of insider trading, including large fines and long prison terms. However, you are Alex's closest family and are sure that you will get the straight story.

You pick up the phone and call Alex . . . (Complete role-play).
Complete Worksheet: Role Play, Uncle James, Part I.

Read Part II

One week after your phone call to Alex, you pick up the *Wall Street Journal* and read that Mahogany's major supplier declared bankruptcy last month and it has been difficult to procure the necessary fine woods to keep production moving smoothly. Because of new environmental regulations, procuring fine hardwoods has become increasing difficult—industry wide. However, this is not a problem for Mahogany's major competitor as it is vertically integrated and therefore has no difficulty in obtaining its raw materials.

While the bankruptcy of Mahogany's major supplier has not yet affected the market price of the stock, it is expected to do so in the near future. It is the general feeling of management that the procurement problem will not be resolved without reducing this year's profit. The Board agreed, at the meeting that precipitated your call to Alex, that the next stockholders' dividends would be reduced significantly.

Complete Worksheet: Role Play, Uncle James, Part II.

APPENDIX J: MAHOGANY CASE, ALEX WILSON ROLE, RELOPIA

You live in the country of Relopia. Communities are tight-knit in Relopia and people look out for one another, often putting the needs of their family, friends, and neighbors ahead of their own interests; they are committed to the groups with whom they affiliate; the people of Relopia tend to value relationships and the quality of life over material success; there is an acceptance of unequal distribution of power in families, organizations, and communities; in avoiding uncertainty, the people of Relopia rely heavily on law and community rules and regulations to guide their behavior.

You have just retired from Mahogany Corporation, a publicly traded fine furniture manufacturer, after serving as chief executive officer (CEO) for 10 years. The Mahogany Corporation organization is hierarchically structured and decision making is tightly held by top management; employees respect the chain of command and rarely question the decisions of supervisors or top management; the organization is highly bureaucratic and organizational rules are important, as members of the Mahogany organization find it difficult to deal with ambiguity; Mahogany takes care of its employees and during his term as CEO, you demonstrated a paternalistic commitment toward all of the members of the group that comprised the Mahogany organization, both current employees and retirees; employees were loyal; relationships among members of the organization are important; employees value quality of life and the holiday and vacation time afforded them was generous.

You are 68 years old, married with two grown children and three grandchildren. You own a home in a prestigious area outside of Relopia's capital city and also a vacation home in a nearby seaside town.

Following retirement, you were asked to continue as a member of the firm's Board of Directors, who unanimously petitioned you to chair the Board because of their respect for you and your position as the former CEO of Mahogany. You were responsible for recruiting most of the members of the Board of Directors and they admire your wisdom and experience.

Mahogany's major supplier declared bankruptcy last month and it has been difficult to procure the necessary fine woods to keep production moving smoothly. Because of new environmental regulations, procuring fine hardwoods has become increasing difficult—industry wide. However, this is not a problem for Mahogany's major competitor, as it is vertically integrated and therefore has no difficulty in obtaining its raw materials.

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absolute confidentiality related to all Board activities. A long-time Board member was ousted last year for leaking information to the press. In addition, board members of publicly traded firms are under increased regulatory and public scrutiny related to their fiduciary responsibilities. The courts are increasing penalties to those convicted of insider trading, including large fines and long prison terms.

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You are particularly close to Uncle James and his wife Emily, who raised you after your parents were killed in an accident. You continue to enjoy a father/son relationship. You are very concerned about Aunt Emily, who is currently undergoing chemotherapy. Her medical bills are substantial. You have a well-diversified portfolio of investments and have tried to help Uncle James in the past. However, Uncle James, as patriarch of the family, is a very proud man and has consistently refused any of your financial help.

You are about to face a dilemma. What should you tell Uncle James, if anything? Why? Be sure to base your decision on the cultural values of Relopia, not on your own personal beliefs.

APPENDIX K: MAHOGANY CASE, UNCLE JAMES ROLE, RELOPIA

Part I

You live in the country of Relopia. Communities are tight-knit in Relopia and people look out for one another, often putting the needs of their family, friends, and neighbors ahead of their own interests; they are committed to the groups with whom they affiliate; the people of Relopia tend to value relationships and the quality of life over material success; there is an acceptance of unequal distribution of power in families, organizations, and communities; in avoiding uncertainty, the people of Relopia rely heavily on law and community rules and regulations to guide their behavior.

You are a 78-year-old former employee of Mahogany Corporation, a publicly traded fine furniture manufacturer. You are the uncle of Alex Wilson, just retired from Mahogany, after serving as chief executive officer (CEO) for 10 years. You are very proud of Alex, whom you brought up after his/her parents were killed in an accident.

Alex is 68 years old, married with two grown children and three grandchildren. Alex owns a home in a prestigious area outside of Relopia's capital city and also a vacation home in a nearby seaside town. Following retirement, Alex was asked to continue as a member of the firm's Board of Directors, who unanimously petitioned Alex to chair the Board out of respect

for Alex and his/her position as the former CEO of Mahogany. Alex was responsible for recruiting many of the members of the Board of Directors and they admired his wisdom and experience.

Virtually all of your retirement savings are invested in the company's stock. Because Mahogany's profits grew steadily over the previous eight years, the company has been able to pay high dividends to its stockholders on a consistent basis. Mahogany has always encouraged investment in the company by current and former employees and has rewarded their loyalty with high dividend payments.

You are happy with the security and soundness of your investment, especially now that Alex has agreed to remain as Chair of the Board. This security is particularly important now that Emily, your wife of 50 years, is currently undergoing chemotherapy and the medical bills are substantial. Alex, who has a large and well-diversified portfolio of investments, has tried to help you in the past. However, as patriarch of the family, you are very proud and have consistently refused any financial help offered by Alex.

You know that there was a Board meeting today and you decide to call Alex to find out how everything is going at Mahogany. You know that all Board members are expected to maintain absolute confidentiality related to all Board activities. In fact, a long-time Board member was ousted last year for leaking information to the press. In addition, board members of publicly traded firms are under increased regulatory and public scrutiny related to their fiduciary responsibilities. The courts are increasing penalties to those convicted of insider trading, including large fines and long prison terms. However, you are Alex's closest family and are sure that you will get the straight story.

You pick up the phone and call Alex . . . (Complete role-play).
Complete Worksheet: Role Play, Uncle James, Part I.

Read Part II

One week after your phone call to Alex, you pick up the *Wall Street Journal* and read that Mahogany's major supplier declared bankruptcy last month and it has been difficult to procure the necessary fine woods to keep production moving smoothly. Because of new environmental regulations, procuring fine hardwoods has become increasing difficult—industry wide. However, this is not a problem for Mahogany's major competitor as it is vertically integrated and therefore has no difficulty in obtaining its raw materials.

While the bankruptcy of Mahogany's major supplier has not yet affected the market price of the stock, it is expected to do so in the near future. It is the general feeling of management that the procurement problem will not be resolved without reducing this year's profit. The Board agreed, at the meeting that precipitated your call to Alex, that the next stockholders' dividends would be reduced significantly.

Complete Worksheet: Role Play, Uncle James, Part II.

APPENDIX L: WORK SHEET: ROLE PLAY, ALEX

1. What did you do? (Please put a check mark next to the one that most closely expresses what you did.)

_____ Didn't tell (Strictly follow the spirit and letter of the law)

_____ Hinted (Follow the letter of the law)

_____ Told (Ignore the law, family is more important)

_____ Other (Please explain):

2. What about the situation did you weight most heavily in your decision?
3. In terms of the following Hofstede dimensions, what is the primary cultural identity of your country (Trafalia/Relopia)? Circle "High" or "Low" for each dimension.

• Power distance	High	Low
• Individualism	High	Low
• Uncertainty avoidance	High	Low
• Masculinity	High	Low

4. Based on the above, in what ways did this cultural identity influence what you decided to do?

APPENDIX M: WORK SHEET: ROLE PLAY, UNCLE JAMES**Part I**

1. What did Alex do? (Please put a check mark next to the one that most closely expresses what Alex did.)

_____ Didn't Tell (Strictly follow the spirit and letter of the law)

_____ Hinted (Follow the letter of the law)

_____ Told (Ignore the law, family is more important)

_____ Other (Please explain):

Part II

2. What do you think Alex should have done? (Please put a check mark next to the one that most closely expresses what you believe Alex should have done.)

_____ Don't Tell (Strictly follow the spirit and letter of the law)

_____ Hint (Follow the letter of the law)

_____ Tell (Ignore the law, family is more important)

_____ Other (Please explain):

3. In terms of the following Hofstede dimensions, what is the primary cultural identity of your country (Trafalia/Relopia)? Circle "High" or "Low" for each dimension.

• Power distance	High	Low
• Individualism	High	Low
• Uncertainty avoidance	High	Low
• Masculinity	High	Low

4. Based on the above, in what ways did this cultural identity influence your decision about what you think Alex should have done?

APPENDIX N: STUDENT FEEDBACK

1. Please indicate, according to the following scale, how effectively the exercise met the learning objectives.

5 = Strongly Agree

4 = Agree

3 = Undecided

2 = Disagree

1 = Strongly Disagree

Means responses to the preceding question ($N = 46$):

4.2 Helped me develop a deeper understanding of Hofstede's dimensions.

4.3 Provided me with the opportunity to explore an ethical decision.

4.2 Enabled me to explore the relationship between cultural identity and ethical decision-making.

2. Please help us improve this exercise by telling us the following.

• What about this exercise was MOST helpful for your learning? Did you enjoy the MOST?

• What about this exercise was LEAST helpful for your learning? Did you enjoy the LEAST?

Qualitative Comments in Response to the Two Preceding Questions⁸

A number of students described how the exercise helped them understand the relationship between cultural identity and ethical decision making, as well as enhancing their cultural sensitivity. The following comments were made in response to the first question. There were no negative comments about this.

"Question 4 (How did your cultural identity influence your decision about what Alex should do?) most helped my learning and also hearing what others put for question 4 helped me see different sides of the story and opened my mind to different views and reasons." "[The case] helped highlight how much cultural differences play a role in how an individual acts." "Providing a real-life example of ethical decision making and comparing it to the cultural identity dimensions." "The discussion of Question 4." "It was interesting to see the connection between cultural identity and decision making." "Applying Hofstede's dimension to a real life ethical situation."

Students liked and were able to relate to the case. The following comments were made in response to the second question. There were no negative comments about this.

"[Case] was easy to relate to." "I enjoyed that there was an in between option (hint). Most exercises don't give that option when [that is what most people would do]." "The first series of questions

about the ethical dilemma.” “I enjoyed the realness of the issue. The detailed case about Alex and his family.” “I liked that the case presented a difficult ethical decision.” “Giving me a situation that I had to make a decision about.” “Decision making with multiple responsibilities shows how hard it can be.” “I thought the situation was very good at demonstrating the dilemma involved with the temptation to attempt insider trading.”

[The authors take the liberty of putting something the student put in the negative column into the positive one as it seems to strike at the heart of what makes the case a dilemma.] “I’m not sure everyone’s decisions were realistic—they didn’t follow legal guidelines and instead did what made them ‘feel good.’”

Students liked the level of class involvement. The following comments were made in response to the first question. There were no negative comments about this.

“Classmates opinions.” “The class interaction, to hear others view points along side with your own.” “Other people’s decisions besides mine.” “The class discussion Q&A truly helped my understanding.” “The class discussion was interesting. I enjoyed hearing everyone’s POV and outlook on the situation.” “Class discussion.” “Class discussion on the ethical dilemma.” “Class involvement.”

Half the students (23 of 46) had positive, but no negative comments about the exercise. In response to the second question, 18 students wrote either None or N/A or left the question blank. Others said the following:

“Nothing, all helpful.” “I think everything tied together and the exercise wouldn’t be the same with any components missing.” “I have no aspect I did not enjoy. Nothing was too painful.” “I thought for the most part that it was very good.”