

## **A Cross Cultural Model of Ethical Dilemmas in Organizational Development**

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With increasing globalization of organizations, Organizational Development (OD) technology is more likely to be transferred and applied outside the U. S.. It remains unclear, however, how people from different countries will react to OD methods originated from the U. S.. Unfortunately, the paucity of empirical research germane to ethical developments in OD practice provides scant basis for addressing the preceding questions. Indeed, there is no evidentiary basis to imply if OD consultants working in non-U.S. environments can effectively function without compromising or modifying their ethical positions. For example, is OD even acceptable to their organizations (some cultures may resist external intervention)? If so, which methods are more or less applicable? Do these methods require different programs of implementation? In addition, to what extent are the values underlying the practice of OD shared cross-culturally? What unanticipated value conflicts might OD consultants face when working in other cultures? Few of these questions have been addressed in the previous literature. If OD technology is to be successfully transferred to other cultures,

answers to these questions are particularly critical if the profession expects to develop an ethical code sensitive to cultural diversity.

There is a growing body of literature suggestive of the need to address the cross-cultural issues in the application of OD technology. For example, Black and Mendenhall (1991, p. 178), have noted that: "negotiations between business people of different cultures often fail because of problems related to cross-cultural differences." Von Glinow and Teagarden's (1988, p. 320) discussed problems inherent in the transfer of human resource management (HRM) technology: "HRM technology will have to be modified to accommodate many of the Chinese system constraints outlined earlier – U.S. HRM technology is not culture free." Similar to HRM, the effect of applying OD technology outside the U. S. is yet to be known. Harris and Moran (1991, p. 13) also made similar comments about the globalization of management theory: "Oversimplification can lead to dangerous assumptions, so international leaders need cultural sensitivity in their analysis of world literature and trends in management and commerce."

In this study, we will explore the role of culture in the application of OD technology. When a particular OD technology is applied, it involves the interaction between consultants and clients. Their role differences have been modeled as the source of ethical dilemmas of the consultant-client relationship (White and Wooten, 1983). We further propose that the role differences between consultants and clients are caused by interaction between two variables -- their national cultures and ethical decision-making styles. As a result, culture plays a significant role of how ethical dilemmas occur in the consultant-client relationship and how each dilemma can be resolved. Later in the paper, we also explain the consequences of cultural differences along stages of OD application and types of ethical dilemmas.

## **Review of Literature**

Ethical issues involved in the interactions between change agents and client

systems have been discussed in OD literature dating to the 1960's and the ensuing decades (French and Bell, 1984; Huse, 1980; Miles 1979; Pfeffer and Jones, 1977; Zaltman and Duncan, 1976; Walton and Warwick, 1973; Warwick and Kelman, 1973; Shay, 1965). In terms of conceptualizing the interaction process, White and Wooten (1983) preferred a ten-stage process/relational model depicting that certain ethical dilemmas occur at specific stages in the OD process. Later, White and Wooten (1986) suggested five categories of ethical dilemmas. They are manipulation/coercion; value and goal conflict; and technical ineptness. Recently, Rhodeback, Lai and White (1990) produced empirical evidence indicating that ethicality ratings of ethical dilemmas occurring within these five categories depend upon the nature of the client-consultant interaction being evaluated; and have shown that these ratings are culturally dependent (White and Rhodeback, 1992). This line of studies used research questions germane to the empirical assessment of cultural differences in perceptions of ethical organizational development consulting practice including:

- (1) To what extent do subjects from different cultures differ in their perceptions of ethical consulting behaviors, if at all?
- (2) In what ways do subjects from different cultures differ in their perceptions concerning the likelihood of occurrence of ethical dilemmas, if at all?
- (3) In what ways do subjects from different cultures differ with regards to the identification of the party responsible for the ethical dilemmas?

Results from these studies regarding U.S. and Taiwanese subjects were that misrepresentation/collusion, value and goal conflict, and technical ineptness were the most salient variables distinguishing the two countries. Regarding the second research question -- in what ways do subjects differ in their perceptions concerning the likelihood of occurrence of ethical dilemmas -- misrepresentation, misuse of data and value conflict, were the principal of discrimination separating the two national groups. Finally, regarding the third research question -- in what ways do subjects differ with regards to the identification of the party responsible for the ethical dilemmas -- the data supported the conclusion that, 94% and 84% of the U.S. and Taiwanese subjects respectively selected the client

system or both the change agent and client system as responsible for the occurrence of ethical dilemmas. These results clearly indicated the existence of cultural differences in perceptions of ethical consulting behavior. Moreover, such differences suggest the need for organizational development consultants to reassess behavioral patterns generally accepted in the U.S. when operating in another country. While the results of this study are helpful in showing that extant cultural differences do suggest that variations in judgments of ethical decision making styles the study did not address why, within respective cultures, ethical judgments vary.

Rhodeback and White (1998) also conducted a study to investigate the extent to which ethical judgments of organizational development consulting behavior are explained by individual differences in ethical decision making styles. Using the Survey of Ethically Behavior in Organizational Development Consulting (White and Rhodeback, 1987) and Forsyth's (1978, 1980) Ethical Position Questionnaire, 322 U.S. subjects were used to test the notion that ethicality ratings of O.D. consulting behaviors will differ according to the individual's ethical ideology.

The Survey of Ethically Behavior in Organizational Development Consulting (White and Rhodeback, 1987) was created by sampling from the domain of change agent and client behaviors which may lead to role conflict or ambiguity and subsequently, may produce ethical dilemmas (White and Wooten, 1986). The instrument is composed of 38 items, which were combined to form fifteen scales. Each scale reflects client-consultant interactions described by organizational development scholars as behaviors leading to ethical dilemmas. The fifteen scale scores were created by forming composites of items designed to measure the same types of interactions. Individual item scores were derived from respondent assessments of each situation's ethicality using a five point Likert-type scale ranging from Very Ethical (5) to Very Unethical (1).

In the Ethical Position Questionnaire, Forsyth's (1978, 1980) methodology was used to identify each individual's ethical decision making style. Scores obtained from the instrument were used to classify individuals as

Situationists, Subjectivists, Absolutists or Exceptionists. In keeping with Forsyth's methodology, individuals were assigned to these classes based on the relative magnitude of each individual's score on two scales, Relativism and Idealism. Each of these scales is composed of ten items with each item eliciting a response of Agree-Disagree on a nine-point continuum.

Results from the study revealed that the groups differed in their ethicality ratings. Using Forsyth's categories, Subjectivists, Exceptionists, Situationists, and Absolutionists, did indeed differ in their judgements of ethical consulting behavior.

### **A Cross-cultural Model of Ethical Dilemmas**

The previous studies suggested that there were cultural differences in perception of ethical consulting behavior. They also showed that ethicality ratings of OD consulting behaviors differed according to an individual's ethical ideology. These results led us to develop a projective model of cross-cultural interaction of OD consultants and clients (see Figure 1).

In the projective model, we propose that (1) a person's ethical decision-making style is a function of the national culture and (2) roles of the change agent and the client system are influenced by their national cultures and ethical decision-making styles. Since role differences lead to ethical dilemmas, the perception of each dilemma is jointly determined by national cultures and ethical decision-making styles.

To illustrate the usefulness of this cross-cultural model, we will apply its principles to the U. S. and Taiwan regarding the interaction process between OD consultants and clients. By doing so, we are able to develop three sets of propositions regarding the perception of ethical dilemmas across national cultures and ethical decision-making styles.

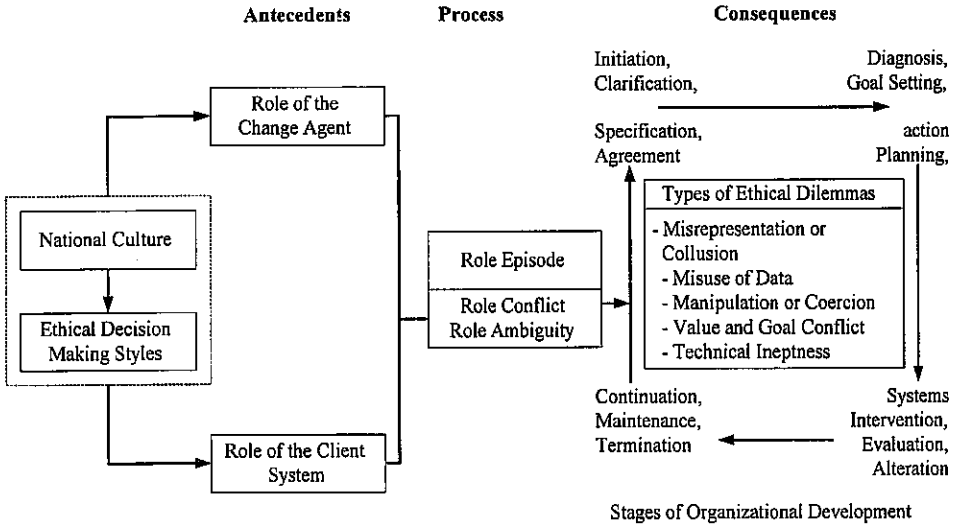


Fig.1 A Projective Model of Ethical Dilemmas in Cross-cultural Organizational Development

### The Role of National Cultures and Ethical Decision-making Styles

The first set of propositions suggests that the perception of ethical dilemma is driven by a person's national culture and ethical decision-making style. First, we believe that an individual ethical style of decision-making is a function of his/her national culture. For instance, according to Forsyth (1980), situationists are individuals who are highly idealistic and highly relativistic. These individuals reject moral absolutes when making judgments and believe that desirable consequences always follow the right action when evaluating whether or not the right actions were taken. Rightness is based on an individual analysis of each situation consequences. Situational ethics is a philosophy that suggests that moral judgments are based on contextual fit rather than goodness or badness. Given the pragmatism of Americans in general, it is reasonable to propose that this pragmatism will carry over to the change agent and client system relationship. Taiwanese subjects, on the other hand, would evaluate situations in a manner reflecting a more holistic view of the organizational development interaction,

rather than a specific set of behaviors within that interaction. Therefore it is possible there will be more situationists among U. S. subjects than among Taiwanese subjects. Applying the same logic to other Forsyth's (1980) categories, we propose that Proposition 1a. When classifying into Forsyth's categories of ethical ideologies, Taiwanese and U. S. subjects will differ in their proportion of styles.

Next, we propose that the evaluation of ethical dilemma can also be explained by individual differences in ethical decision-making style. In a study of 322 U. S. subjects, Rhodeback and White (1998) conducted a study to test the notion that ethicality ratings of OD consulting behaviors would differ according to the individual's ethical decision-making styles. The four styles, situationists, absolutists, subjectivists, and exceptionists, contrast in terms of whether (a) whether the individual accepts or rejects universal moral rules and (b) the extent to which the individual believes desirable consequences are always achieved with the right action. These underlying differences suggest that Proposition 1b. Subjects under Forsyth's categories of ethical ideologies will provide different ethicality ratings of OD consulting behaviors.

In the above analysis, Proposition 1a suggests ethical decision-making styles as a function of national cultures whereas Proposition 1b establishes the association between ethical ratings and ethical styles. These propositions will therefore lead us to the prediction that how ethical dilemmas are perceived is also determined by a person's national culture. In Figure 1, we argue that culture is a major determinant in the way the change agent and client system will perform their respective roles. White and Rhodeback (1992) have shown that Taiwanese and American subjects differed in their ratings of ethical dilemmas. Moreover, White and Rhodeback (1998) concluded that American subjects, when grouped according to Forsyth's ethical ideologies, gave different ratings of OD consulting behaviors. We therefore propose that Taiwanese subjects, when classified into Forsyth's ethical ideologies, will also provide different ratings of OD consulting behaviors.

Proposition 1c. Taiwanese subjects will differ significantly from U. S.

subjects in their ethical ratings of OD consulting behaviors when using Forsyth's categories of ethical ideologies.

In Figure 1, we divided ethical dilemmas into different types and various stages of OD consultant-client interaction. First, there are five major types of ethical dilemmas --misrepresentation or collusion, misuse of data, manipulation or coercion, value and goal conflict, and technical ineptness. Second, ethical dilemmas may occur at any stage of OD consultant-client interaction -- from the beginning stages of initiation, clarification, and agreement to the ending stages of evaluation, maintenance, and termination (White & Wooten, 1983). When applying Proposition 1b and 1c into these categories of ethical dilemmas, we are able to derive two additional sets of propositions.

### **Ethical Decision-making Styles and Ethical Dilemmas**

Previous research indicates that ethical decision-making styles will affect the perception of ethical dilemma. However rarely have researchers addressed how the perception may differ among various phases of organizational development and different types of ethical dilemmas. As a result, Proposition 1b can be further developed in terms of ethicality ratings along stages of organizational development and types of ethical dilemmas.

Results of a study by Rhodeback and White (1998) suggested that Low Idealists (Exceptionists and Subjectionists) differ from High Idealists (Absolutists and Situationists) in that the former believe that right consequences always follow the right actions; while the latter, high idealists, believe that good or bad consequences can occur. Moreover, it was found that these subjects tended to rate occurring dilemmas as more ethical. Using these findings as a backdrop, we propose that when compared to low idealists, high idealists are more likely to give higher ethicality ratings of organizational development consulting behaviors occurring during the early phases of the organizational development process. The early stages of initiation, clarification, and specification (White and Wooten, 1983) focus on laying the groundwork for a



successful organizational development intervention. In this case, high idealists (Absolutists and Situationists) would place more emphasis on these stages and the dilemmas that occur therein.

Similar logic can also be applied to the perception of ethical dilemma during the later phase of OD intervention. As the organizational development process unfolds and moves into the later stages, the roles assumed by the change agent and client system change as each assumes different responsibilities. During these latter stages the focus is upon meeting the goals of the intervention effort. Because of these situational demands, we propose that the pragmatism of Absolutists and Situations will dominate; and that when compared, Absolutists and Situationists will give higher ethicality ratings to ethical transgressions, due to their pragmatism, than will their counterparts. This analysis leads us to propose that Proposition 2a. During each stage of organizational development, subjects under Forsyth's categories of ethical ideologies will provide different ethicality ratings of OD consulting behaviors.

The same rationale can also be extended to different types of ethical dilemmas. Because of their underlying differences on the universality of moral rules and the relationship between actions and consequences, Absolutists, Situationists, Exceptionists and Subjectivists will tend to view various types of ethical dilemmas differently.

Proposition 2b. In each type of ethical dilemma, subjects under Forsyth's categories of ethical ideologies will provide different ethicality ratings of OD consulting behaviors.

### **National Cultures and Ethical Dilemmas**

Since we propose national cultures will affect individual differences in ethical decision-making styles, Proposition 1c can be further developed in terms of ethicality ratings along stages of organizational development and by types of ethical dilemmas. In other words, do people from different cultures perceive ethical dilemma differently during each stage of organizational development? Do people from different cultures react differently to each type of ethical dilemma?

For instance, Rhodeback, Lai and White (1990) have shown that ethical ratings depend upon the nature of the client system-change agent interaction; and more recently (White and Rhodeback, 1992) have shown that these ratings are culturally dependent. These findings, when coupled with the work of White and Wooten (1983), demonstrate that specific ethical dilemmas are associated with particular stages of the organizational development process. This suggests that Taiwanese subjects will give different ethicality ratings to the dilemmas that occur at a given stage of the Organizational Development process.

As a function of culture, we propose that compared to U.S. subjects, Taiwanese subjects are more likely to give higher ethicality ratings to breeches of ethical dilemmas that occur during the *early* stages of the Organizational Development process. We base this on the notion that Taiwanese place a higher value on the development of relationships than Americans do. This coupled with the fact that since during the early stages of initiation and clarification, the focuses are upon establishing rapport between participants, Taiwanese would be more likely to be more lenient in their ratings of transgressions when faced with dilemma situations.

Alternatively, as the Organizational Development process progresses to the *later* stages of evaluation and alternation, we will expect that Taiwanese and Americans will not differ in their ethicality ratings. By this time relationships have been established and the goal is more focused on a successful outcome to the intervention. Proposition 3a. During each stage of organizational development, Taiwanese subjects will provide different ethicality ratings of OD consulting behaviors than U.S. subjects.

Given that there is empirical support for the notion that Taiwanese and Americans differ in their ratings when judging ethical dilemmas, we propose that in each type of ethical dilemma, Taiwanese subjects will provide different ethicality ratings of Organizational Development consulting behaviors than U.S. subjects. For example, we propose that when compared, Taiwanese subjects will give higher ratings to the dilemma of value and goal conflict than their U.S. counterparts will (White and Rhodeback, 1992). This suggests that Taiwanese

may scrutinize more closely than their U.S. colleagues regarding the compatibility of values and goals. Moreover, we propose that compared to U.S. subjects, Taiwanese subjects are more likely to give lower ratings of Organizational Development consulting behavior when confronted with ethical dilemmas associated with misrepresentation and manipulation/coercion. (White and Rhodeback, 1992). This follows from the fact that Organizational Development is more common and developed in the U.S. where codes of ethics such as APA and ASTD exists and governs the behavior of many change agents who hold membership in those organizations.

Finally, we expect that compared to U.S. subjects, Taiwanese subjects are likely to view technical ineptness as less ethical (White and Rhodeback, 1992). For example, a consultant refuses to allow company training personnel to conduct group meetings because he lacks the necessary skills. While this might be an accepted response in a U.S. environment, Taiwanese, because of their collectivist culture (Hofstede, 1980) might find the behavior as less acceptable. This analysis leads us to believe that Proposition 3b. In each type of ethical dilemma, Taiwanese subjects will provide different ethicality ratings of OD consulting behaviors than U. S. subjects.

## Conclusion

In this paper, we built a cross-cultural model of ethical dilemmas regarding the interaction between OD consultants and clients. We believe this model is particularly important because relatively little has been known regarding the impact OD technology when it is applied outside the U. S.. Building from Wooten and White (1983), we suggest that the occurrence of ethical dilemmas is caused by the role conflicts between OD consultants and clients. Absent in the White and Wooten's model, however, is the source of role conflicts. First, we suggest that role conflicts are results of individual differences in ethical decision-making styles. This creates ethical dilemmas because persons of different styles will perceive the same situation of potential problem differently. Second, when applying OD technology overseas, national cultures will assume another

important role by influencing individual differences in ethical decision-making styles. In other words, a person's underlying moral principles and assumptions are bounded by his/her own culture. As a result, we add national cultures as another antecedent of role conflicts between OD consultants and clients. These two variables -- national cultures and ethical decision-making styles -- form the cornerstones of our propositions regarding the perception of ethical dilemmas in the cross-cultural Organizational Development process.

In conclusion, we believe our projective model will provide guidelines to OD consultants of how ethical dilemmas will occur when OD technology is implemented overseas. When applying our model to the case of U. S. and Taiwan, we are able to illustrate how different types of ethical dilemmas are perceived and how the interaction between consultants and clients may unfold along different stages of the Organizational Development process.

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