Ethical Dilemmas in Organization Development: A Cross-Cultural Analysis

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ABSTRACT. The purpose of this study was to examine the nature and extent to which cultural differences bear on perceptions of ethical Organizational Development consulting behaviors. U.S. ($n = 118$) and Taiwanese ($n = 267$) business students evaluated eleven vignettes depicting potential ethical dilemmas. Respondents judged the ethicality of each vignette, the likelihood of the event's occurrence and the party responsible for the event's occurrence. Multivariate Analyses of Variance revealed significant cultural differences in perceptions of ethicality, and group differences in perceptions of the events' likelihood of occurrence. U.S. subjects provided higher ethicality ratings than the Taiwanese, and lower ratings on the likelihood of occurrence. Response distributions resulting from the identification of the responsible party were similar for six of the eleven vignettes. When differences did occur, it appeared that the Taiwanese were more inclined than the U.S. subjects to view responsibility as shared by the client and the consultant. The results suggest the need for the incorporation of cultural differences in a code of ethics for the profession and the need for cross-cultural ethics training for partitioners.

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Introduction

The rapid changes occurring in the world economic arena, and the increasing appearance of multinational organizations has resulted in the international practice of organizational development (OD). This globalization of organizations and the attendant exportation of OD services suggests significant and insufficiently addressed professional issues. One critical issue pertains to the cross-cultural transmission of ethical values inherent in the practice of organizational development. This issue yields a number of sub-issues potentially bearing on successful interventions. For example: 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? Answers to these questions are necessary if OD technology is to be successfully transferred to other cultures, and particularly critical if the profession expects to develop an ethical code sensitive to cultural diversity.

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. There is, however, a developing body of literature suggestive of the need to address cultural nuances in bi-cultural and multi-cultural business environments. 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." A second example is derived from Von Glinow and Teagarden's (1988, in Mendenall and Oddou, 1991, p. 320) discussion of problems inherent in the

transfer of human resource management 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." For that matter, neither is OD technology.

Although OD scholars have been relatively silent regarding the need to proceed cautiously when transferring the discipline's technology to other cultures, scholars working in related fields have not. For example, Harris and Moran (1991), writing about the globalization of management theory, state:

> While global managers are open to management innovations from abroad ... Oversimplification can lead to dangerous assumptions, so international leaders need cultural sensitivity in their analysis of world literature and trends in management and commerce (p. 13).

The field of OD can afford to be no less vigilant than other disciplines in the pursuit of knowledge concerning the implications of multi-cultural similarities and differences for successful, international professional practice. Particularly critical is the need to test the assumption that ethical standards for professional conduct are transportable to other countries. A corollary of this issue, and the question addressed in this study is: to what extent do cultural differences bear on perceptions of what constitutes ethical OD consulting behavior? The answer to this question will effect the development of an ethical code applicable to the globalization of OD technology; and in its broadest context, lays the groundwork for a discussion of cross-cultural differences in ethical values.

Second phase of a program

This study represents the second phase of a program of research that began by evaluating Taiwanese perceptions of ethical behavior in organization development consulting (Rhodeback et al., 1990). In the initial study, subjects ($n = 328$) were participants in a one year part-time management training program in southern Taiwan. Each of the subjects responded to eleven scenarios (Appendix A) by evaluating them in terms of: (1) likelihood of occurrence, (2) range of ethicality, and (3) responsibility for the occurrence of a specific dilemma. Results of the study suggested

that each of the ethical dilemmas appeared to have a high likelihood of occurrence, thus indicating that ethical dilemmas discussed by American OD scholars were plausible in a different culture. Moreover, the ethicality ratings were situationally dependent and respondents were generally inclined to choose the manager as the party responsible for the ethical dilemma or to sight client-consultant shared responsibility.

The eleven scenarios evaluated by the Taiwanese subjects comprise the *Survey of Ethicality* developed by White and Wooten (1986), and are derivatives of The Role Episodic Model (White and Wooten, 1986).

This model proposes that the change agent and client system, upon initial encounter, bring respective values, goals, needs, skills, abilities and resources to the OD effort. If issues surrounding these factors are unresolved, the intervention effort or "Role Episode" is left vulnerable to role conflict and ambiguity. This ambivalent state increases the probability that one or more ethical dilemmas will emerge. Ethical dilemmas, while numerous in their manifestations, tend to be amendable to grouping into the five general categories of: misrepresentation/collusion, misuse of data, manipulation/coercion, value and goal conflict, and technical ineptness. Each of these dilemmas are represented at least once in the 11 scenarios provided in Appendix A. Specific dilemma categories are defined in the OD literature as follows:

> *Misrepresentation/Collusion* is said to occur when the change agent misrepresents his/her skill base or produces exaggerated claims concerning the outcome of the intervention process. It is also said to exist when the client system misrepresents the organization's interests, goals or needs (Shay, 1965; Pfeiffer and Jones, 1977; French and Bell, 1978; Miles, 1979; Maidment and Losito, 1980).

> *Misuse of Data* is a category of ethical dilemmas which subsumes those instances where data are originally collected to facilitate the organizational development process but are then used punitively by members of the client system (Shay, 1965; Walton and Warwick, 1973; Zaltman and Duncan, 1976; Pfeiffer and Jones, 1977).

> *Manipulation/Coercion* is the rubric used to describe those situations where members of the client system are required against their will to participate in activities with the organizational change process (Walton and Warwick,
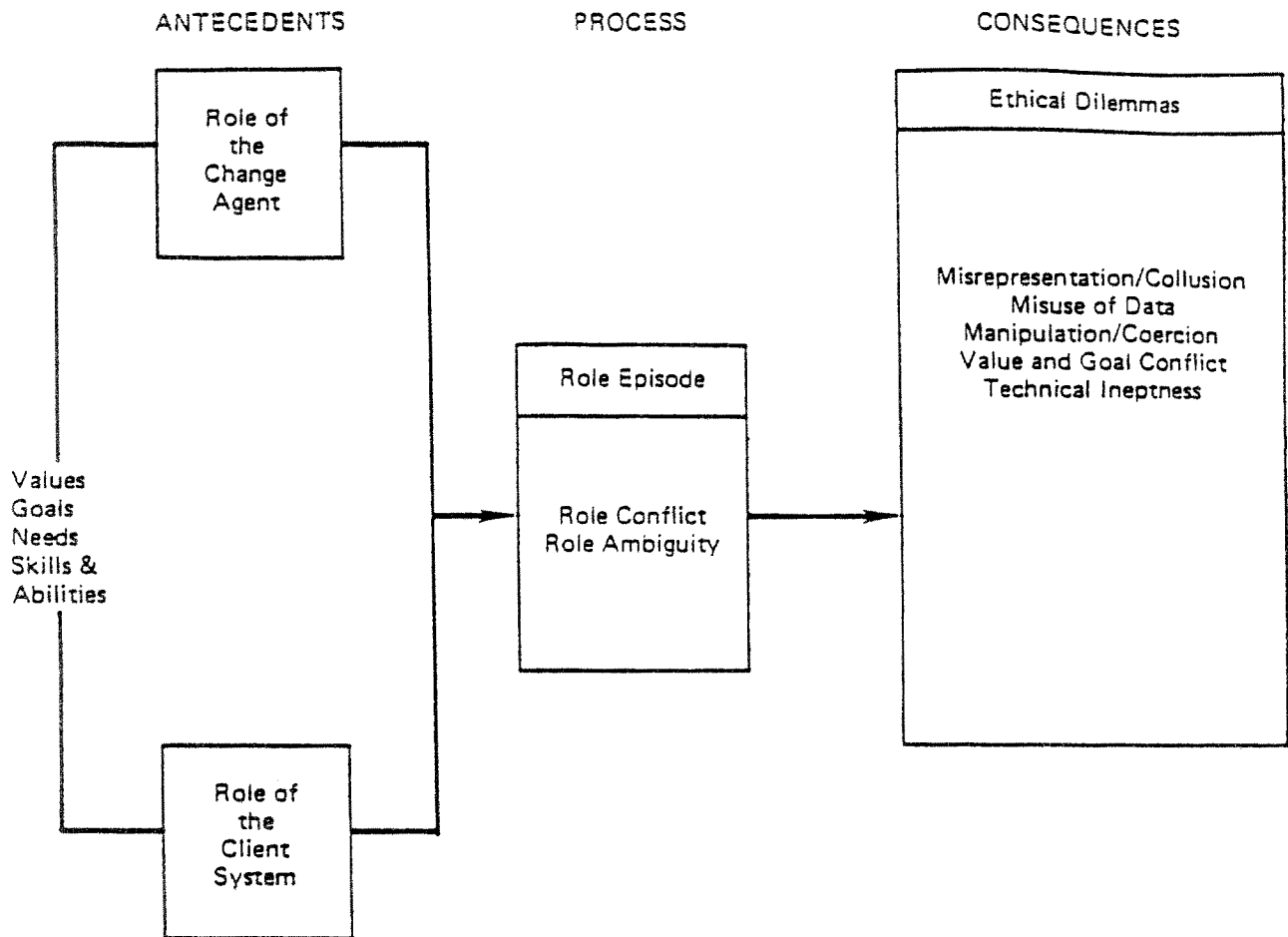
ANTECEDENTS   PROCESS   CONSEQUENCES

Fig. 1. A role episodic model of ethical dilemmas in organization development

1973; Lippitt and Lippitt, 1978; Warwick and Kelman, 1973; Huse, 1975; Zaltman and Duncan, 1976; Pfeiffer and Jones, 1977).

Value and Goal Conflict is indicative of the ethical dilemmas emergent from ambiguously defined change goals. Furthermore, it is manifest when the change agent withholds needed services or the client system withholds resources (Lippitt and Lippitt, 1978; Benne, 1959; Warwick and Kelman, 1973; Zaltman and Duncan, 1976; Pfeiffer and Jones, 1977).

Technical Ineptness is manifest when there is a lack of skill, knowledge or ability to effectively select or implement appropriate intervention strategies (Benne, 1959; Shay, 1965; Mosely, 1970; Walton and Warwick, 1973; Lippitt

and Lippitt, 1978; Warwick and Kelman, 1973; Huse, 1973; Zaltman and Duncan, 1976; Pfeiffer and Jones, 1977; French and Bell, 1978; Maidment and Losito, 1980).

Current study

The current study extends the initial study, by invoking those research questions germane to the empirical assessment of cultural differences in perceptions of ethical organizational development consulting practices, including: (1) To what extent do U.S. and Taiwanese subjects differ in their perceptions of ethical consulting behaviors, if at all? (2) In

what ways do U.S. and Taiwanese subjects differ in their perceptions concerning the likelihood of occurrence of the eleven ethical dilemmas, if at all? (3) In what ways do U.S. and Taiwanese subjects differ with regards to the identification of the party responsible for each of the eleven ethical dilemmas?

Method

Responses to the 11 item *Survey of Ethicality* (White and Wooten, 1986) were obtained from 118 males enrolled in graduate evening business courses at three universities located in Texas, and 267 Taiwanese males, enrolled in a one year part-time management training program in Taiwan. Subjects were instructed to (1) rate the ethicality of each of the 11 situations on a five point Likert type scale; (2) evaluate each vignette's likelihood of occurrence on a five point Likert type scale; and (3) identify the person responsible for the situation's occurrence: the consultant, the manager or both.

Results

Perceived ethicality

A two group multivariate analysis of variance was employed to test hypothesized cultural differences in perceptions of ethicality. Responses to the eleven vignettes were treated as jointly dependent. The results provide substantial support for the existence of group differences, (Hotelling's $T^2 = 0.37$; $F = 12.63$; 11,373 df, $p < 0.001$). As indicated by the mean scores provided in Table I, subjects from the United States tended to provide higher ethicality ratings than the Taiwanese respondents.

An obtained canonical correlation of 0.52 indicates that approximately 27% of the response variability separates the two cultures. The discriminant analysis provided in Table I indicates that vignettes 1 (Misrepresentation), 4 (Value Conflict), 5 (Misrepresentation) and 9 (Technical Ineptness) are the most salient of the variables distinguishing the two groups. This is evident by examining the absolute values of the standardized coefficients and the structural coefficients (i.e., the vignette discriminant function correlations).

Vignette 1 describes a situation in which a business consultant attempts to sell services based on his background but associates conduct the consulting job. Vignette 4 involves the case where a consultant refuses to continue an engagement due to a value/ goal conflict. Vignette 5 describes a situation where the consultants bidding on a project are not privy to important information concerning funding levels, and in Vignette 9, the consultant refuses to allow company training personnel a role in conducting group meetings based on an assessment of employees' qualifications.

Perceived likelihood of an event's occurrence

As indicated in Table II, the Taiwanese subjects provided higher ratings of each event's likelihood of occurrence than U.S. subjects. The two group multivariate analysis of variance revealed significant differences (Hotelling's $T^2 = 0.45$; $F = 14.47$; 11,352 df, $p < 0.001$).

An obtained canonical correlation of 0.56 indicates that 31.36% of the response variance separates the two cultures' perceptions. The standardized coefficients and the structural coefficients reported in Table II indicate that vignettes 1 (Misrepresentation), 2 (Misuse of Data), 4 (Value Conflict) and 11 (Value Conflict) are those situations principally aligned with the discriminant function. Vignettes 1 and 4 were previously described as salient discriminators separating the two groups' perceptions of ethicality, and are indicative of consultant misrepresentation of who would be conducting the consulting job (Vignette 1) and the consultant's refusal to continue an engagement (Vignette 4). Vignettes 2 and 11 involve punitive use of consultant obtained data and consultant refusal to continue with a project until new data are gathered, respectively.

The responsible party

The final issue addressed as the nature and extent to which there were group differences in the identification of the party(ies) responsible for each dilemma. Chi square tests of independence were employed. The Boneferroni inequality was invoked to ensure control of the Type error rate; hence, each of 11

TABLE I

Perceived ethicality by item: means, standard deviations and discriminant standardized and structure coefficients

Item	Descriptor	Taiwan Mean	S.D.	United States Mean	S.D.	Discriminant Analysis Std. Coeff.	Struc. Coeff.
1	Misrep	2.41	1.10	3.16	1.04	0.57	0.52
2	Misuse	2.71	1.08	2.75	1.30	−0.13	0.02
3	Value	2.97	1.04	3.26	1.23	0.02	0.20
4	Value	3.17	1.23	4.03	1.19	0.58	0.54
5	Misrep	2.14	1.02	2.71	1.23	0.43	0.40
6	Value	3.17	1.05	3.52	1.14	0.17	0.25
7	Manip	3.09	0.93	3.09	1.20	−0.10	−0.00
8	Misrep	2.54	1.05	2.80	1.20	0.08	0.18
9	Ineptness	2.61	1.12	3.27	1.15	0.34	0.44
10	Manip	2.36	0.98	2.52	1.15	0.02	0.12
11	Value	3.12	1.08	2.97	1.14	−0.39	−0.10

TABLE II

Perceived likelihood of occurrence by item: means, standard deviations and discriminant standardized and structure coefficients

Item	Descriptor	Taiwan Mean	S.D.	United States Mean	S.D.	Discriminant Analysis Std. Coeff.	Struc. Coeff.
1	Misrep	4.42	0.62	3.97	0.91	−0.35	−0.42
2	Misuse	4.19	0.65	3.59	0.98	−0.37	−0.54
3	Value	4.14	0.84	3.74	0.92	−0.10	−0.32
4	Value	4.09	0.81	3.13	1.15	−0.62	−0.72
5	Misrep	3.94	0.92	3.73	0.92	0.12	−0.15
6	Value	3.94	0.88	3.53	1.00	0.10	−0.30
7	Manip	4.11	0.80	3.66	1.05	−0.09	−0.35
8	Misrep	4.28	0.73	4.15	0.86	0.14	−0.11
9	Ineptness	3.66	0.99	3.18	0.94	−0.07	−0.33
10	Manip	3.70	1.11	3.40	0.91	−0.04	−0.19
11	Value	3.92	0.85	3.28	0.98	−0.38	−0.49

response distributions were tested at 0.01, and assumes a cumulative error rate of 0.11.

As indicated in Table III, the groups differed on five (2, 4, 6, 8 and 9), or about half of the eleven vignettes. Differences in four of these five response distributions appear to rest principally with the choice between shared responsibility or a single party.

For example, 94% and 86% of the U.S. and Taiwanese subjects selected either the manager or both as responsible for the dilemma presented in Vignette 2; however, a much larger percentage of the U.S. subjects selected the manager as responsible for this example of misuse of data than did the Taiwanese subjects. Considerably fewer U.S. subjects selected both as responsible. Response distributions for Vignettes 4, 6 and 9 tend to suggest that a much larger percentage of the U.S. subjects than Taiwanese subjects assigned responsibility to the consultant for the consultant's refusal to continue an engagement

TABLE III

Distribution of responses by responsible party for each item

| Item Descriptor | Responsible Party Alternatives (United States Respondents are in Parentheses) | | |
	Consultant	Manager	Both
1	52% (53)	15% (15)	32% (32)
2	14 (6)	54 (77)	32 (17)**
3	10 (11)	51 (48)	39 (42)
4	34 (56)	14 (13)	52 (31)**
5	5 (3)	84 (85)	11 (12)
6	16 (41)	11 (9)	73 (50)**
7	11 (8)	47 (57)	42 (35)
8	11 (3)	68 (74)	21 (24)**
9	35 (54)	17 (10)	48 (36)**
10	12 (13)	56 (43)	32 (44)
11	31 (23)	26 (32)	43 (45)

** $p < 0.01$

(Vignettes 4 and 6), and the consultant's refusal to encourage participatory practices (Vignette 9) than the Taiwanese subjects. Taiwanese responses tended to lean toward a view of shared responsibility.

Discussion

The study clearly indicates the existence of cultural differences in perceptions of ethical consulting behavior. Such differences suggest the need for OD consultants to re-assess behavioral patterns generally accepted in the U.S. when operating in another country. For example, differences were obviously associated with the vignette in which the consultant sells his services, but associates conduct the job. While the practice may be standard operating procedure in the U.S. (i.e., partners sell, junior consultants perform the work) it was viewed as less ethical by the Taiwanese. Implicit in this difference is the potential for an otherwise successful U.S.-Taiwanese working relationship to be soured by a lack of sensitivity to a difference in expected standards of conduct. Differences were not limited to this one form of misrepresentation. Taiwanese subjects also viewed as less ethical than U.S. subjects, other forms of mis-

representation, value/goal conflicts, manipulation, technical ineptness and misuse of data. The significant discriminant function presented in this study indicates that, in the near future, it may be possible to predict the kinds of role adjustments necessary to avoid these types of problematic ethical dilemmas.

Although both the Taiwanese and U.S. subjects viewed each of the events as likely to occur, the Taiwanese provided higher ratings of each event's likelihood of occurrence. This may be interpreted to suggest that the Taiwanese have a greater expectation of unethical behavior and may, as a result, be more active in protecting themselves than U.S. counterparts. The logical derivative of this finding is that the Taiwanese may scrutinize more closely than their U.S. colleagues, the OD practitioner's credentials, skills and values.

Results from the third question investigated in this study concerned the responsibility for the occurrence of the ethical dilemma. On six of the eleven vignettes, Taiwanese and Americans produced the same distribution of responses when identifying the responsible party, and different distributions for five of the eleven vignettes. The similarities and the differences lend credence to the notion that change agent/client system relationships in a multi-cultural environment must be carefully clarified or negotiated if one is to accept responsibility for the occurrence and resolution of an ethical dilemma.

Historically, the OD ethics literature has focused only upon the role and scope of the OD agent's behavior in resolving ethical dilemmas; however, the identification of shared responsibility for a dilemma and the identification of the manager as the responsible party, indicates recognition of a dyadic relationship by two different cultures. Implied is the notion that a code of ethics designed as guidance for the OD practitioner's behavior should incorporate ways in which the change agent should effectively deal with the unethical behavior of the client. Interjecting the cross-cultural component adds to the complexity of articulating strategies the consultant should use in the event that they are victims, rather than perpetrators of unethical management behavior.

The need to incorporate a cultural component in the development of a code of ethics for the OD profession is clearly warranted. The imposition of standards of conduct might be received in a different

light when cultural considerations are introduced. If the desired code of ethics is to be viable regardless of the environment in which the professional is working, then behavioral guidelines should necessarily incorporate these varied environments. At the very least, it is hoped that individuals actively involved in developing an OD code of ethics would be representative of the varied cultural environments where OD is thriving, or experienced in providing services in a multi-cultural environment. This exposure is critical to the construction of a code of ethics sensitive to the values implicit in different cultures.

The study supports the intuitive notion that practitioners should be sensitive to culturally based differences in expected standards of conduct. Further indicated is the need for OD practitioner training directed at enhancing an understanding of cross-cultural differences in ethical values. If OD technology is not value free, then it follows that an examination of those values in the context of the relevant cultural environment is a pre-requisite to successful practice. Given that OD technology is rapidly spreading to developing parts of the world, particularly the Pacific Rim nations, there exists some immediacy in the need for this type of training.

This study has made two important contributions. First, it incorporates an empirical basis for addressing ethical issues emergent in Organizational Development consulting. To date, the subject has relied on anecdotal reports by practitioners. Second, the study introduces cross-cultural differences as a viable consideration in the development of a code of ethics for the profession. As a result, the study has laid the groundwork for the real challenges facing Organizational Development professionals. Although it is anticipated that the results will contribute to the continuing development of ethical standards of conduct for the OD consulting field, there is much to be done in further clarifying ways in which the beliefs, values and presuppositions of western OD practice will need to be modified to accommodate non-western environments. A cross-cultural comparison of only eleven of the possible situations in which OD practitioners find themselves hardly exhausts the possible dilemmas an international OD practitioner may face. Nevertheless, it is clear that the time has come to reconsider existing standards of conduct and role adjustments in the context of the broader, international arena.

Appendix A

Ethical dilemmas in organization development

1. A business consultant sells his services to an organization based on his education/training, but associates conduct the consulting job.
2. A manager obtains unfavorable information about a supervisor from an attitude survey and management effectiveness report and uses this information in a performance evaluation against the supervisor.
3. At the first stages of a consultation, a management team determines that the consulting effort will not be successful, and reduces support and funds to minimize the risk of greater harm or failure.
4. A consultant informs the organization that he can no longer provide consulting services to the organization due to a value conflict with current management philosophy.
5. The management team of an organization asks various business consultants to bid on a project and submit a proposal, although there is a possibility that complete funding and approval may not be available for the later stages of the project. This information is not shared with the consultants who have submitted bids.
6. During the course of a consulting job a consultant refuses to continue the consulting job until an agreement can be reached concerning specific organization departments and consulting goals.
7. Line employees of an organization engaged in a highly successful consulting job are required to attend work group development sessions against their will.
8. A company official, when receiving project bids for a consulting project, selected a personal friend who was one of those consultants bidding on the project. All of the proposals were roughly the same in cost and strategy.
9. After the first stages of a consulting job a consultant refuses to allow company training personnel a greater role in conducting group meetings with employees based on the consultant's perception of the lack of skill, background, and experience of company training personnel.
10. A management team involved in a company wide consulting job requires the consultant to use techniques which the consultant feels are inappropriate.
11. A company official requires that a consultant use the data gathered from a previous consulting job to design group development training for the company; the consultant refuses to continue with the current consulting job unless new data are gathered.

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