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## Research on Business Ethics of Global Marketing Personnel in China

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### Abstract:

Demographic variables and organizational variables were examined for exploring the relationship with the moral development and ethical reasoning of an individual. Age differences interpret different ethical judgments and gender differences interpret different ethical thinking between male and female. Education actually does not convey a necessarily more black-and-white world of right and wrong but more independent thought of what is ethical or not. The importance of ethical climate can be learned from its influence to individually moral development and these strongly encouraging global marketing managers to consider an organization's ethical climate prior to employment. Together, these findings suggest a proposed GM Model of Trust for assessing how ethical decisions are made by Chinese GMs and define the best practices that relative to the development of organizational cultures, structures and strategies for enabling a high level of internalized ethics over time.

Keywords: Moral development, ethical reasoning, ethical climate, organizational cultures

### 1. Introduction

Notwithstanding its rapidly growing economy and progressive social initiatives, China is experiencing some moral dilemmas in association with its burgeoning growth. For example, 70 percent of all illegal copycat products come from Asia and most of that comes from China, in what has mushroomed into a \$300 billion market. Such issue has extended from a pair of poorly copied Adidas running shoes or a plastic version of a Gucci watch to pirating costly and high-tech knowledge, allowing them to duplicate entire machines and systems (Dinah et.al, 2006).

Widely regarded as the "piracy export and transshipment capital of the world," China's pirated products are marketed around the world, damaging transnational copyright industries far beyond the country's border, such as "South America, Europe and even Africa". Also, immorally commercial behavior leads to the damage to the customers and hence greatly crumbles the trust of an industry. For example, a horrible case of melamine-contaminated powdered infant formula in China, leads to over 6240 cases of kidney stones in infants with three deaths across China as well as \$131 million loss (Tu Lei, 2008). A recall is still persistent for all contaminated products in China.

Such unethical behavior also leads to the business crisis of an industry as well as deep impact on the economic development of the whole society. Good ethics are good business is an important acknowledgment. Today, it is learned that ethics and competitiveness are inseparable for any industry. Ethics is one of the critical elements for any successful industry and business reputation is created on ethical business practice. Any unethical behavior may leads to financial failure and accordingly results in deep impacts on the stability of national economy (Giacalone & Jurkiewicz, 2003). Therefore, it drives great attention on the development of business ethics of a marketer.

Complicating the scenario for many business leaders are the fundamental demographic transitions taking place in China, with many observers suggesting that the people of China are culturally fluid with a number of forces serving to shape the direction of future Chinese business practices. While it is reasonable to assume that everyone possesses an innate sense of what is right and wrong, this picture becomes cloudy when confronted with high-dollar business decisions that can make or break a company that depend on nebulous moral issues or involve cross-cultural issues that may not be readily discernible. Therefore, it is vitally important to better understand how typical Chinese global marketer view moral dilemmas to identify commonalities and differences according to age, gender and level of education to determine what can be done, if anything, to improve the ability of these individuals to make the right decision at the right time when it comes to moral business decisions.

To help discern commonalities and differences among Chinese respondents, this study selects the demographic variables (i.e. age, gender, and education level) and the organizational variables (i.e. ethical climates) as the independent variables and explores their effects in global marketer business ethics. To this end, this study employs the Defining Issue Test (DIT) to measure the effects of demographic variables (age, gender, and ethical education) in global marketer's business

ethics and employs ECQ (Ethical Climate Questionnaire) to identify the effects of organizational variables (i.e. ethical climate) in global marketer's business ethics for providing critical references to the Chinese industries a better understanding of global marketer's moral reasoning when they face ethical dilemma in their business practice (See Figure 1 for research variables and testing hypotheses).

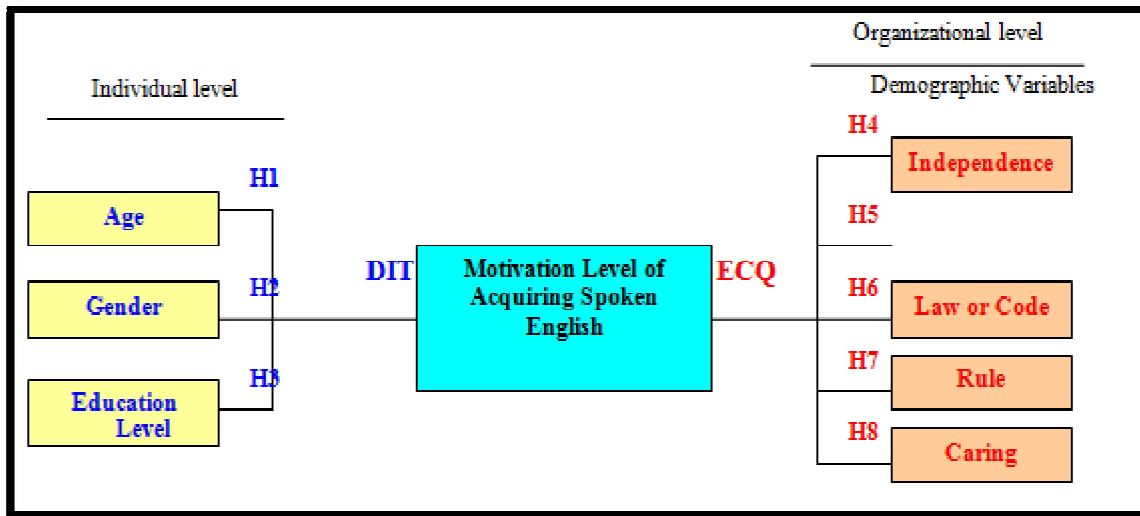


Figure 1: Research Variables and Testing Hypotheses

### 1.1. Hypothesis of Study

Null Hypothesis (H0): There is no statistically significant correlation between age, gender and education level and an individual's ability to discern fundamental moral issues in business dealings.

Research Hypothesis (Ha): There is a statistically significance correlation between age, gender and education level and an individual's ability to discern fundamental moral issues in business dealings.

### 1.2. Assumptions and Limitations

For the purposes of this study, it was assumed that respondents would answer the DIT and ECQ instruments accurately and truthfully. It was also assumed that the analysis of the statistical data would provide the relevant information needed to confirm or refute the above-stated hypothesis. For the limitation of this study, the study examines international trade practices among Chinese major export partners, there is a specific focus on Chinese global marketers; therefore, the findings of the study are not generalizable across the board to other countries. Also, the climate questionnaire items were only fixed to a single subunit (international marketing division) within an organization rather than all of the entire subgroups in an organization, the data may be biased against the entire act of subgroups within an organization.

## 2. Literature Review

### 2.1. Background and Overview

Many researchers argue that marketers and industries need to be more ethically responsible for the development of the whole society (Cohen et al., 2005). Any business activity should not only create business benefits but also for the interests of human and natural environment. Likewise, many professions have been developing behavior and knowledge standards for members in order to cope with moral dilemmas and ethical gray areas for the last few decades. These guidelines include codes of ethics, licensing requirements, specific missions, and specialized intellectual knowledge including literature and research, and organizations that develop and maintain adjudication processes for members who do not follow the expected standards (Kaplan, 2006). Also, current literature argues that the improvement of moral maturity is supported by education and societal experiences (Mujtaba, 1996). Prior studies also argued that organizational cultures or normative systems have their great interactions with individual moral development (see Figure 2 for the development of business ethics approaches).

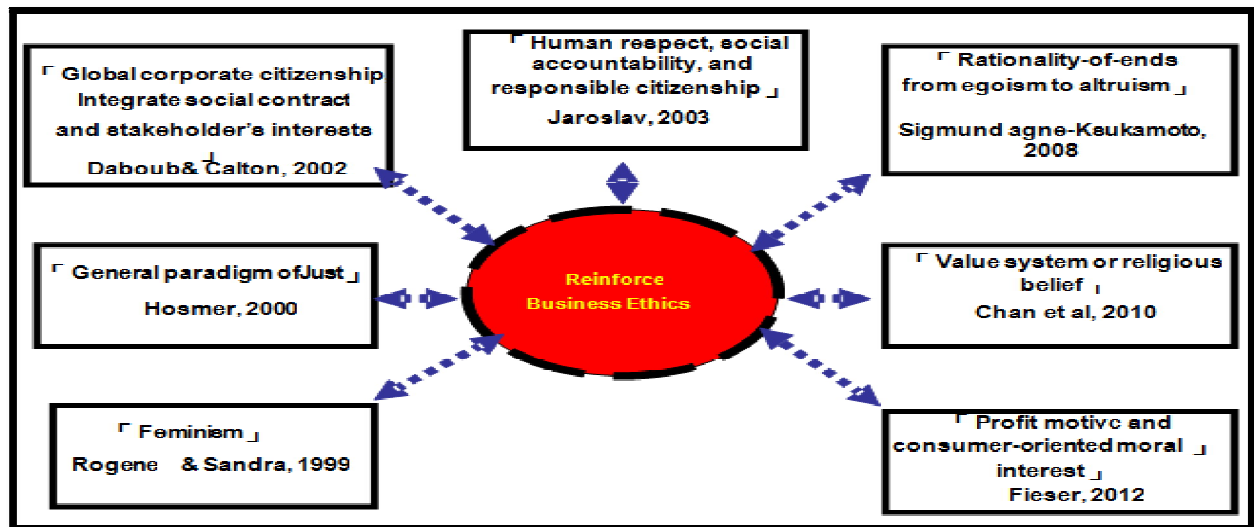


Figure 2: The Development of Business Ethics Approaches

### 2.2. Age-Based Moral Development

Kohlberg theorized that there are six distinct stages of moral development and can be categorized into three levels: pre-conventional level, conventional level and post-conventional level. He argued that individual moral develops as age grows and experiences acquired. Also, he further speculated that a seventh stage (Transcendental Morality or Morality of Cosmic Orientation) which would link religion with moral reasoning (Kohlberg, 1969) may exist. In his moral development theory, Kohlberg argued that people develop their morals from learning and experience as they grow in age. People learn and change their ethical thinking not only as age but also as experiences they get through. This claim was supported by some researchers who argued that age can explain moral decision making of individuals because people acquire more experience and develop a more sophisticated view of the world as they grow older (Piaget, 1975; Kohlberg, 1984; Gilligan, 1982). Above literatures supports that age does affect on individually moral development along with experience acquired and hypothesis 1 constructed with this support.

### 2.3. Gender-Based Moral Development

Prior literatures support that gender leads to ethical differences (Liebert, 1984; Gilligan, 1982; Sikla & Costa, 1994). For gender-based moral development theorists, most of them support that females behave more ethically than males. That is, females are more predisposed to make more ethical decisions than males. Hence, it is believed that women are more caring and helping and men are tending to toward justice and law. On the other hand, a prior study conducted by Harsh and Ranjan (2005) also found that female students have higher ethical sensitivity than male students. In prior literatures, some researchers argue that such different ethical thinking between males and females can be attributed to different moral developmental paths (Kohlbergs, 1984; Gilligan & Wiggins, 1987). Therefore, it can be concluded that prior literatures support females usually act more ethical than males do and this inference constructs hypothesis 2 of this study.

### 2.4. Education-Based Moral Development

To date, several studies have identified formal education as having a significant positive correlation with moral judgment (Windsor & Cappel, 1999). Likewise, formal education has been found to be a predictor of more complex moral reasoning because individuals who seek higher education tend to be people who enjoy learning, are interested in self-growth, prosper in intellectually and socially stimulating environments, and are more interested and involved in community and societal issues (Rest, 1994). People with higher ethical judgment scores are more likely to hunt intellectual involvements. Although laws play very critical role in defining ethical decisions in human society, laws is not guaranteed to be ethical itself (Savickas, 1995). Education stimulates human's brain development and facilitates individual's ethical judgment based on learning processes. Above literatures reveals the significant association between different education levels and moral development and hypothesis 3 is proposed based on this theory.

### 2.5. Moral Reasoning Theory

As people gain life experiences and mature, their ability to reason in a moral fashion becomes more acute and developed, but as with all human developmental theories, there is some debate concerning just what factors tend to have the most influence in shaping people's moral views and what stages people typically progress through to achieve superior levels of moral reasoning. One of the better known of the authorities that have examined these issues is Lawrence Kohlberg, whose

cognitive developmental theories provided the basis for much of the early research concerning moral reasoning (Rizzo & Swisher, 2004). The stage theory of moral development states that people learn to think in a sequential mode and move up the ladder of moral development one step at a time (Colby and Kohlberg, 1984)

2.6. Organizational System and Moral Development

Honigman (1959) indicated that a normative system that has been accepted and recognized within an organization can be seen as a part of the organizational culture. In 1987, Victor and Cullen interpret the ethical climate as the shared perceptions of how to behave ethically and how ethical issues should be resolved (Victor and Cullen, 1987). In 1988, they further categorized ethical climate as five different types based on different positions, workgroup membership, and tenure in organizations: independence, instrumentalism, law and code, rule, and caring. Herndon (1992) emphasizes the influence of ethical climate of an organization in determining employees' moral behavior and how they act morally. He reveals that the ethical climate affects employees' ethical values in the organization. Prior researchers examine the relationship among organizational commitment, feelings of indebtedness of purchasing executives, and ethical climate and found that there is a strong relevance between executives' organizational commitment and the caring and instrumental ethical climates (Kelley and Dorsch, 1991).

In this study, it is found that ethical climate theory seems to be connected to Kohlberg's moral development theory (see Table 1). For example, the pre-conventional stage of Kohlberg's moral development theory and the ethical climate types "independence and instrumental" of Victor and Cullen's ethical climate theory argue that the level of moral development is "individualism". The conventional stage of moral development and the ethical climate types "law and code" argue that the level of moral development is "collectivism". The post-conventional stage of moral development and the ethical climate type "caring" argue the level of moral development is "altruism". The ethical climates "independence" and "instrumental" tends to "pre-conventional level" and "law and code" tends to "conventional level". And the ethical climate "caring" tends to post-conventional level. This can be inferred that ethical climate can be developed as individually moral development and hence change the climate of an organization. And ethical climate also determined by the level of individually moral development in an organization. Likewise, ethical climate affects individually moral development in an organization. It can be concluded that there is an interaction between organizationally ethical climate and individually moral development (see Table 1 for comparison of Kohlberg's Moral Development Theory and Victor & Cullen's Ethical Climate Theory).

Stage	Moral Development Level	Kohlberg (1987)	Ethical Climate Type (Based on Kohlberg, 1987)	Victor and Cullen (1988)
1	Pre-Conventional	Blind egoism (Only self and norm are recognized)	Independence	Each person in this company decides for themselves what is right and wrong
2	Pre-Conventional	Instrumental egoism (what is in it for me?)	Instrumental	Supporting the engagement of self-interested behavior
3	Conventional	Interpersonal conformity and meet social expectations (Good girl/good boy attitude)	Law and Code/Rule	People are expected to strictly follow legal or professional standards
4	Conventional	Laws and rules are compulsory for people to obey	Law and Code/Rule	The first consideration in an organization is to obey the law and the company policies.
5	Post-Conventional	Primarily consider the greatest good for the greatest number of people	Caring	What the best (good) for everyone in the company is the major consideration
6	Post-Conventional	What one would do being in anyone's shoes and one acts because it is right	Caring	The primary concern is always what is best for the other person
7	Transcendental Morality	Moral reasoning based on	Irrelevant	Irrelevant

religion idea

Table 1: Comparison of Kohlberg's (1987) Six-Stage Moral Development Theory and Victor & Cullen's (1988) Ethical Climate Theory

### 2.7. Ethical Thinking: West vs. East

Ethical thinkers in the East and West all share the ability to consider these ethical dilemmas from a more robust perspective that provides them with the ability to make more informed – and therefore better – decisions. In this regard, Mitias (1992) suggests that ethical thinking, no matter where in the world it takes place, is just that: “The application of thinking to such problems or situations does not reduce ethical thinking to relativism or subjectivism, because in ethical thinking, just as in thinking generally, the emergence of the problem is set against a background that provides sufficient determinate, as regards both the meaning of the problem and the criteria for its successful resolution ( p. 155).

In the West, ethical thinking has been shaped in large part by the ancient Greek philosophers and as refined over the years by others (Jaeger, 1947; Blackson, 2000). By contrast, ethical reasoning and thinking in the East has been heavily influenced by Confucian thought (Yearley, 2003; Chow, 1994; Berthrong, 1998). When all peoples around the world can agree that ethical thinking regards these factors as being important, there is clearly some common ground upon which to build. Furthermore, it is clear that ethical thinking in both the East and West is heavily influenced by the general cultural and specific community standards involved (Mitias, 1992; Annas, 1995). Likewise, it would seem that virtually everyone relies on many of the same factors in formulating their moral reasoning in a given situation. As Mitias points out, “Ethical thinking as a specific genre is thinking that emerges in moral problems or situations. Ethical thinking occurs when the problematic is characterized by the basic evaluative question: What should be done (in light of competing ends or goods)?” (p. 155).

## 3. Method

### 3.1. Participants

Participants were recruited randomly from the exporting industries in China. The valid participant numbers are 350 (186 women, 164 men, Mage=33.6 years, age range:18—50 years, degree range: senior high-master) and these participants are employees who engage in marketing job in these selected exporting industries, for example, marketing managers, marketing personnel, and marketing assistants. Each participant were compensated RMB\$10 per hour for their participation. Interview request and schedule were made through phone and e-mail. All participants were contacted for explaining the purpose of this research and the time may require for the interview and answering the survey questions. For participants' comprehension of all the survey questions (including DIT and ECQ part), each of them were taught based on the direction of the survey. In order to increase the response rate and the validity of answering these questionnaires, each participant was interviewed face to face, online, or by phone to answer all questions.

### 3.2. Measurement & Instruments

The DIT (Defining Issues Test) and Ethical Climate Questionnaire (Victor and Cullen, 1988) are utilized in the questionnaires. In this study, DIT was utilized to measure each marketing personnel moral development stage with respect to different genders, different education levels, and different working experiences. And the ECQ was used to explore what the organization's marketing personnel ethical climate is and to discuss the relationship between marketing personnel's marketing ethics and the ethical climates of their organizations. The DIT (Defining Issue Test), an instrument used to measure Kohlberg's levels of moral development. Participants are given six dilemma stories and are requested to determine what decision the character should make. Participants respond to three sets of questions for every dilemma. The first section requires the participant to decide if the character in the dilemma (a) should take action or (b) should not take action. Participants are also given option (c) cannot decide. The second set of questions contains 12 forced-choice questions about the dilemmas. The forced-choice responses are based on 5-point Likert-type ratings of "great," "much," "some," "little," and "no." The final section requires the participants to rank the four most important statements in the previous section. And the ECQ (Ethical Climate Questionnaire), a multiple-item scale developed by Victor & Cullen (1988), which measures the ethical climates at the individual and organizational levels of analyses.

### 3.3. The Validity and Reliability of the DIT and Ethical Climate

The DIT has a .80 test-retest reliability (when administered over a period of several weeks) and an internal reliability (alpha coefficient) of .80 (Rest, 1979, 1986). Among its strengths in relationship to the instant study is the fact that the DIT has undergone extensive evaluation including determination of its relationship with age, education, and gender. Researchers have found the DIT is sufficiently reliable, with reliability coefficients usually in the .70s and .80s (Rest et al., 1999). Cullen and Victor developed and validated the Ethical Climate Questionnaire which measures the ethical climates at the individual and organizational levels of analyses; with 1,167

individuals tested across three surveys, the results at the individual level have indicated strong support for the validity and reliability of the questionnaire.

**4. Results**

The six DIT stories are included in the analysis with three demographic factors, the age, gender, and education level of the respondent. The six DIT stories are also used to determine the respondents' level of moral development in response to these hypothetical cases. The other questions comprise the Ethical Climate Questionnaire in this study. The intent of this analysis is to test the survey results for statistical significance relative to the eight hypotheses that form the foundation of this study. The demographics of the survey population are discussed firstly, in addition to an analysis of the percentage of respondents that have completed business ethics education in the past five years. By first looking at these factors, those assumptions can be made regarding the acceptance or rejection of each hypothesis; namely how conversant and educated this respondent base was in the first place relative to ethical judgements and issue resolution. For the respondent population of 350 interviews, the majority are female (52.5%) versus 47.5% who are male, and the majority have had ethics education within the last five years (56.8%). 86.3% of respondents are 40 years old or below, with 45.6% being 30 years or younger, and 40.7% being between 31 and 40 years old.

- H1: Are there differences in the moral development level of the Taiwanese marketing personnel with respect to different age levels.

Using Analysis of Variance (ANOVA) with the age variable of across the six DIT story questions that used to measure stated adherence to ethical standards, the results showed statistically significant differences ( $F=1.262$ ,  $p=.022^{**}$ ) in level of moral development of the marketing personnel in Taiwan. Therefore, there was a statistical significance showing differences in ethical judgment across all age groups (see Table 2 for ANOVA of DIT and Age Variable).

DIT P	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	34.506	37	1.024	1.262	.022**
Within Groups	226.420	313	.510		
Total	260.926	350			

Table 2: ANOVA of DIT and Age Variable

- H2: Are there differences in the moral development level of the Taiwanese marketing personnel with respect to different genders.

Using Analysis of Variance (ANOVA) of across the six DIT story questions that used to measure stated adherence to ethical standards, statistically significant differences ( $F=.675$ ,  $p=.0358^{**}$ ) between genders were found(see Table 3 for ANOVA of DIT and Gender Variable).

DIT P	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.520	37	.275	.675	.0358**
Within Groups	71.342	313	.246		
Total	78.862	350			

Table 3: ANOVA Table of DIT and Gender Variable

- H3: Are there differences in the moral development level of the Taiwanese marketing personnel with respect to different education levels.

Using Analysis of Variance (ANOVA) of DIT P score used to measure individual's moral development, no statistically significant differences ( $F=2.102$ ,  $p=.458$ ) between the moral development level of the Taiwanese marketing personnel respect to different education level (see Table 4 for ANOVA of DIT and Education Level Variable).

DIT P	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.790	37	.226	2.102	.458
Within Groups	70.151	313	.278		
Total	76.941	350			

Table 4: ANOVA Table of DIT and Education Level Variable

- H4: Is there any relationship between the moral development level of the Chinese global marketers and the ethical climate of independence.

The mean scores of the independent type questions are related to the DIT P score. The statistical result produced a Spearman's Correlation Coefficient of .712 at the .01 level of confidence, relying on a two-tailed test. From a correlation analysis of the results, it is found that the higher the level of individual moral development the greater the ethical climate of independence. It's clear that the respondents have taken ownership of ethical decision making and defining ethical standards of conduct on their own (see Table 5 for Correlation Analysis for H4).

Correlation Analysis for Hypothesis 4	DIT P Score	Mean of Independent type of Ethical Climate
DIT P Score	1	.712
Spearman Correlation	.01	.00
Sig. (2-tailed) Level of Confidence	350	.01**
N		350
Mean of Independent type of Ethical Climate	.712	1
Spearman Correlation	.00	.01
Sig. (2-tailed) Level of Confidence	.01**	.01
N	350	350

Table 5: Correlation Analysis for Hypothesis 4

- H5: Is there relationship between the moral development level of the Chinese global marketers and the ethical climate of instrumental.

From a correlation analysis of the results, it reveals that the lower the individual level of moral development the greater the ethical climate of instrumental. The mean scores of questions types of the ethical climate of instrumental and the DIT P score produced a Spearman's Correlation Coefficient of .616, statistically significant at the .01 level of confidence (see Table 6 for Correlation Analysis for H5).

Correlation Analysis for Hypothesis 5	DIT P Scores	Mean Score of Instrumental Type of Ethical Climate
DIT P Scores	1	.616
Spearman Correlation	.01	.00
Sig. (2-tailed) Level of Confidence	.01	.01**
N	350	350
Mean Score of Instrumental Type of Ethical Climate	.616	1
Spearman Correlation	.00	.01
Sig. (2-tailed) Level of Confidence	.01**	.01
N	350	350

Table 6: Correlation Analysis for Hypothesis 5

- H6: Is there relationship between the moral development level of the Chinese global marketers and the ethical climate of law and code.

Using the three questions specifically from the ECQ the level of law and code that contributes to ethics on the part of Chinese global marketer was measured. The result shows statistical significance between the moral development level of the Chinese global marketers and the ethical climate of law and code. From the correlation analysis of the mean scores of the three questions and the DIT P scores, shows statistical significance and produced a correlation coefficient of .604 at the .01 level of significant using a two-tailed test with DIT P scores (see Table 7 for Correlation Analysis for H6).

Correlation Analysis for Hypothesis 6	DIT P Scores	Mean Score of the Law and Code type of ethical climate
DIT P Scores	1	.604
Spearman Correlation	.01	.00
Sig. (2-tailed) Level of Confidence	.01	.01**
N	350	350
Mean Score of the Law and Code type of ethical climate	.604	1
Spearman Correlation	.00	.01

Sig. (2-tailed)	Level of Confidence	.01**	.01
	N	350	350

Table 7: Correlation Analysis for Hypothesis 6

- H7: Is there relationship between the moral development level of the Chinese global marketers and the ethical climate of rule.

Using correlation analysis to identify the statistical significance of the mean scores of the rule type questions correlate with the DIT P scores, generates a Spearman correlation coefficient of .358, significant at the .01 level of confidence using a two-tailed test. Another insight also emerges from the analysis that in general, the Chinese global marketer's level of compliance is very high in relative terms and also seen as a potential career strategy for getting ahead as evidenced by the high co relational value of EQQ12, which is the variable from the EQQ that specifically measures the perception on the part of respondents that a potential career strategy is to be highly compliant to ethical guidelines (see Table 8 for Correlation Analysis for H7).

Correlation Analysis for Hypothesis 7	DIT P Scores	Mean Scores of the Rule Type of Ethical Climate
DIT P Scores	1	.358
Spearman Correlation		.00
Sig. (2-tailed)	.01	.01**
Level of Confidence		
N	350	350
Mean Scores of the Rule Type of Ethical Climate	.358	1
Spearman Correlation	.00	
Sig. (2-tailed)	.01**	.01
Level of Confidence		
N	350	350

Table 8: Correlation Analysis for Hypothesis 7

- H8: Is there relationship between the moral development level of the Chinese global marketers and the ethical climate of caring.

A correlation analysis completed shows that when the mean of the two questions of caring type of ethical climate and DIT P scores are analysed using the Spearman correlation coefficient, a correlation of .684 is obtained at the .01 level of confidence. It is clear that in an ethical climate of caring, the ethics level of Chinese global marketer is high (see Table 9 for Correlation Analysis for H8).

Correlation Analysis for Hypothesis 8	DIT P Scores	Mean Scores of the Caring Type of Ethical Climate
DIT P Scores	1	.684
Spearman Correlation		.00
Sig. (2-tailed)	.01	.01**
Level of Confidence		
N	350	350
Mean Scores of the Caring Type of Ethical Climate	.684	1
Spearman Correlation	.00	
Sig. (2-tailed)	.01**	.01
Level of Confidence		
N	350	350

Table 9: Correlation Analysis for Hypothesis 8

## 5. Findings

The significant fact is that education does not convey a necessarily more black-and-white world of right and wrong, compliance or non-compliance. However, education actually conveys more independent thought of what is ethical or not. This can be seen in the series of correlations that related to the hypothetical case study with controlling for education. Therefore, a reasonable statement can be made that education does influence the decision making process of Chinese global marketers but it does it in a completely different and counterintuitive way. It does not foster high level of compliance or an intuition to response to ethical dilemmas but does foster more independent thought and thinking of what is ethical or not. However, it is arguable that if this influence of education will avert scandals and lead to more positive and intentional compliance initiatives for these professionals in their future when they assume senior or high-level positions. Plus, to complete more scenarios may be required for the future research analysis because that only one hypothetical situation is a very limited viewpoint to analyze and extrapolate the influence of



ethics learning and ethics decision making for the Chinese global marketers (see Figure 3 for Summary of Findings 1-3).

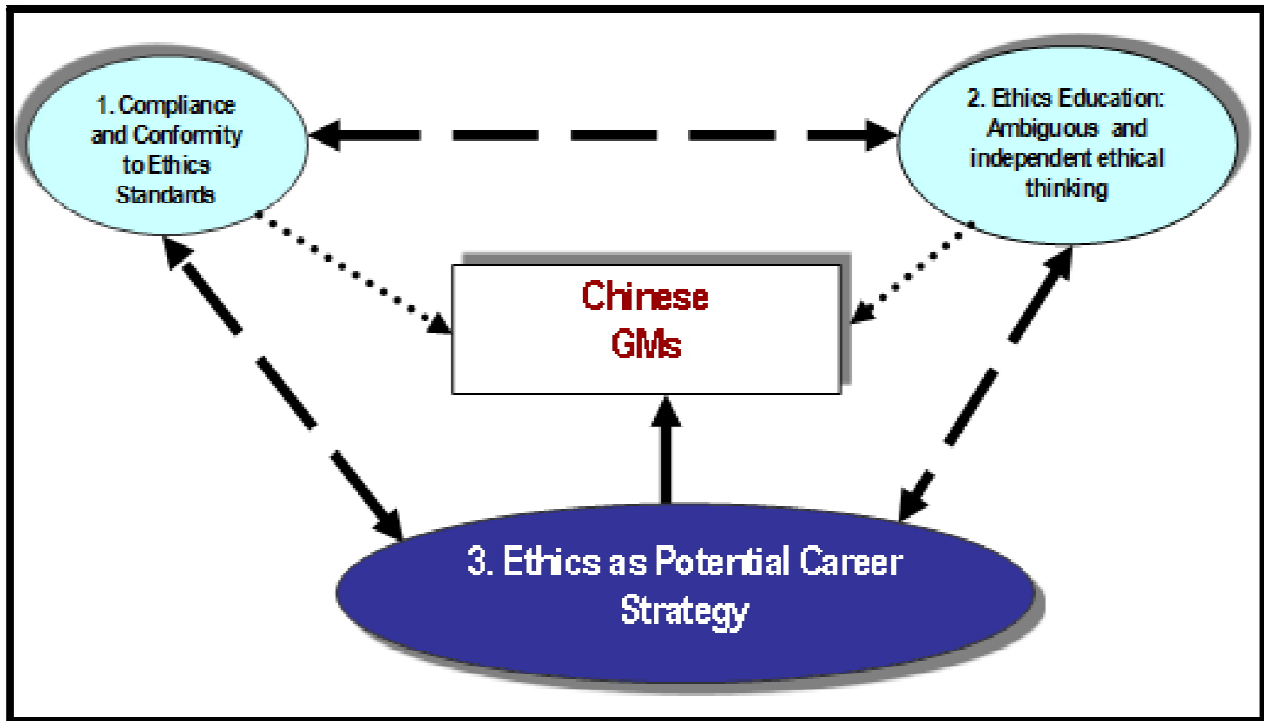


Figure 3: Summary of Findings 1-3

The data from this series of respondents shows a concern on those respondents who appear to be ethical to advance their careers within an organization. The variable in this analysis is ECQQ12 "Successful people in my company go by the book". It generates the fact that how Chinese global marketers themselves against unethical behaviour or activity is a viable career strategy. This can be clarified from ECQQ12 "Successful people in my company go by the book" are compared with the DIT P scores produced a Spearman's Correlation Coefficient of .604 ( $p < .01$ ). The result shows that there is a statistical significance between DIT P score and ECQQ12 (Successful people in my company go by the book). This certifies the finding that those Chinese global marketers who have ethics experience and see ethics as a career strategy also realize that laws and regulations may need to be changed over time in order to gain a more accurate and valid definition that what ethical decision making is over time. This also demonstrates that the ethics are not so being black-and-white and it is necessary to utilize more reasoning and thought framework to define entirely new ethical decision making processes.

The same situation can be found in the correlation between level of Chinese global marketer's moral development and the ethical climate of rule. The correlation between mean score of the ethical climate of rule and DIP score generates a Spearman's Correlation Coefficient of .358 ( $p < .01$ ). The majority of respondents who see compliance to company policies and procedures as critical to their career success, when compared to the level of Chinese GM's moral development, it is found that there is a statistically significant correlation between level of Chinese GM's moral development and the ethical climate of rule. The Chinese global marketers look for the structure of their organizations and the adherence to policies and procedures as definition points for compliance and ethics.

The other issue of decision making related to ethics is the role of independence and it fosters a higher level of ethical decision making and behaviour. In the analysis of results, it clearly shows that the greater the level of independence in an industry, the greater level of ethical ownership of making ethical decisions and fostering ethical behaviour that lead to a higher level of overall ethics by Chinese global marketers. From the hypothesis that support this point, the correlation between mean score of the ethical climate of independence and DIT P score produced a Spearman's Correlation Coefficient of .712 ( $p < .01$ ) (see Figure 4 for Summary of Findings 4-6).

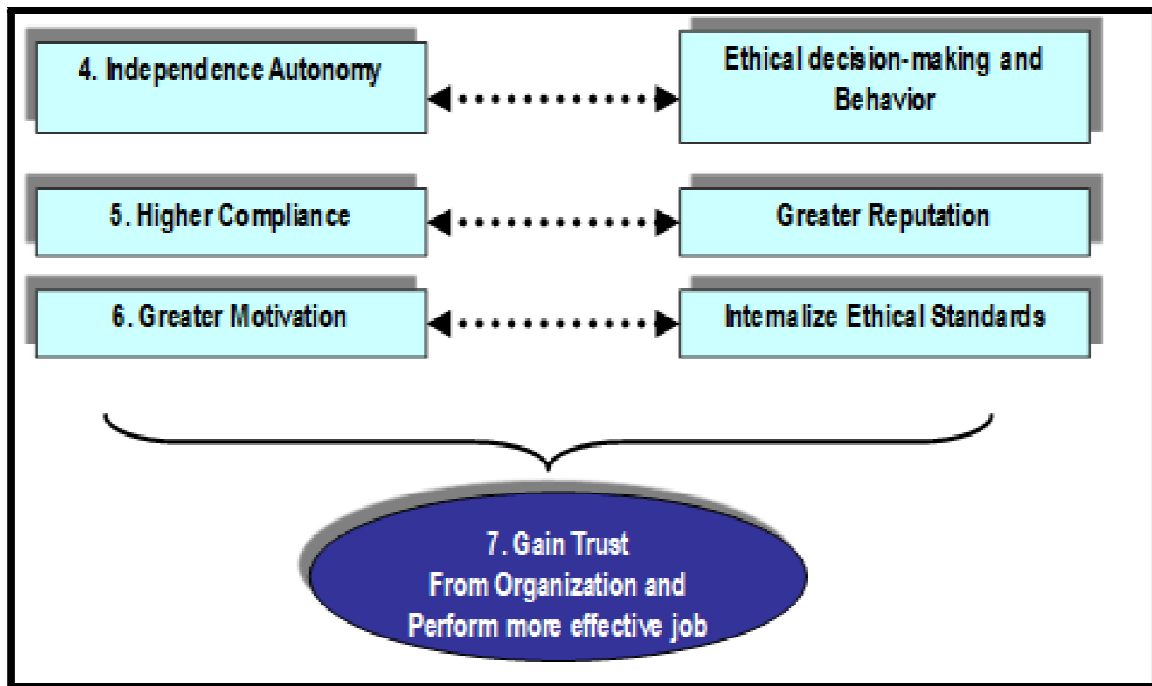


Figure 4: Summary of Findings 4-6

## 6. Conclusion and Discussion

### 6.1. Future Research

There are numerous variables could be included in this analysis of the study, for example, compensation, annual reviews, group norms and values as well. First, additional stories and studies would be helpful to specially show how these could be used to reason the results for the broader population of Chinese global marketers. Second, the respondents may overstate their responses to appear more ethical than they are in order to please the researchers with their responses. It is need to minimize this potential error with additional iterations of surveys. Third, other influential variables including tenure, experience, background checks based on positions required need to be researched for improve the results of this study to be representative of all Chinese global marketers.

### 6.2. Implications

There are some valuable implications found in this study. First, this study illustrates the fact that education does not actually create contrasts in ethical interpretations. The fact shows that the greater the education level, the more independent thought of what is ethical or not. And this also shows how critical the need is for continuing to monitor how Chinese global marketers re-define their ethical values overtime. Second, this study emphasis the use of ethical decision making combined with compliance as effective strategies for career advanced in Chinese global marketers' roles and this is consistent with the collectivism of Chinese culture. Third, this study shows how organizations with high levels of independence associated with structures and cultures that promote the internalized ethics and the role of Chinese global marketers in defining their own ethical boundaries as well.

## 7. Conclusions

The results of this study reveal that there is a relationship between individual moral development and organizational ethical climate and it can be learned that the importance of organization ethical climate and strongly encouraging global marketing managers to consider an organization's ethical climate prior to employment. This study has set a solid foundation for continually evaluating how ethical decisions are made by Chinese GMs and further taking these insights to construct a framework for seeing how ethical decisions positively influence both communications and transaction velocities over time. The implications of how ethical frameworks are developed and their influence in both the internal organizations that Chinese GMs are employees and the external partners was defined in the Proposed GM Model of Trust(see Figure 5), shows that the higher levels of internalized ethics, the greater level of both velocity of communication and transaction over time. The Proposed GM Model of Trust provides a framework for both quantifying trust over time based on the setting and maintenance of ethical standards for Chinese GMs, including the measurement of performance over time based on the impact of ethical decisions made. This model

in effect seeks to quantify the impact on trust through measuring velocity of transactions and sees them as an indicator of how effective internalized ethics are. And it also gives the opportunity to define the best practices that relate to the development of organizational cultures, structures and strategies for enabling a high level of internalized ethics over time (see Figure 5 for Proposed GM Model of Trust).

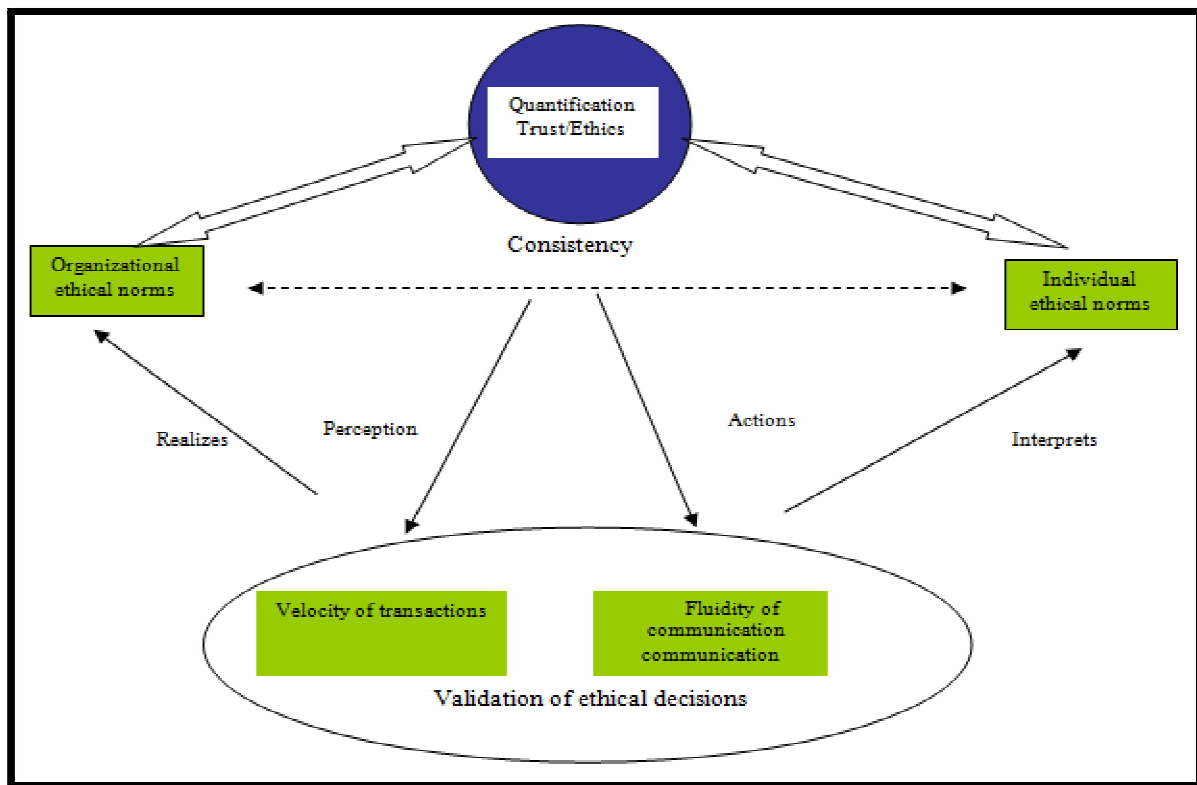


Figure 5: Proposed GM Model of Trust

## 8. Reference

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