

Effects of Cultural Values and Beliefs on the Resolution of Ethical
Dilemmas: A U.S.-Turkey Comparison

by

Ali Fehmi Unal

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Chao Chen

and approved by

Danielle Warren

Oliver Sheldon

Stan Gully

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ABSTRACT

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By Ali Fehmi Unal

Dissertation Director: Professor Chao C. Chen

Priority given to goals of prosperity, justice and rights affect organizational and societal stability and progression; however, research on the trade-offs between these goals has been relatively scarce. In this study, I investigate whether managers from the U.S. and Turkey resolve ethical dilemmas differently and whether the cultural value of collectivism and the inequality-is-just belief explain such differences. By cross examining the broad dimensions of collective welfare (economic prosperity vs. social justice) and individual rights (rights of the privileged vs. those of the disadvantaged) I developed four ethical dilemmas that involve conflicts between 1) economic prosperity and social justice, 2) economic prosperity and rights of the disadvantaged, 3) social justice and rights of the privileged, and 4) rights of the privileged and those of the disadvantaged.

Scenarios situate the ethical dilemmas in the context of a society and a company. Data from 286 managers in the U.S. and Turkey was analyzed, and the results reveal that Turkish managers were more collectivistic and have weaker belief that inequality is just than U.S. managers. Compared with their U.S. counterparts, Turkish managers showed a stronger preference for social justice over economic prosperity and the rights of the privileged in the society scenarios, a stronger preference for economic prosperity over

rights of the disadvantaged in the company scenario, as well as a stronger preference for rights of the disadvantaged over the privileged in both scenarios. Inequality justification had a positive effect on preference for economic prosperity over social justice in both scenarios, preference for economic prosperity and rights of the privileged over the disadvantaged in the society scenario, and preference for rights of the privileged over social justice in the company scenario. Furthermore, collectivism had a significant positive effect on preference for social justice over privileged rights in the company scenario. And finally, the effect of nationality on ethical preferences was at least partially mediated by inequality justification and collectivism in the above ethical dilemmas where collectivism and inequality justification had significant effects. Theoretical and practical implications of cross-cultural and within culture differences in ethical preferences are discussed.

Keywords Ethical dilemmas, justice, inequality, rights, prosperity, culture, collectivism, inequality justification, U.S., Turkey.

Preface

This dissertation is dedicated to beloved family members: my father Ahmet Unal (rest in peace), my mother Songul Unal, my wife Karima Idouaksim, and my brother Furkan Unal. Without their unconditional love and support, this dissertation would not be possible.

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INTRODUCTION

Social policy makers and international managers across the globe claim that they strive to enhance economic prosperity, promote justice and protect individual rights in their societies and organizations (Arnold, 2010; Graham, et al., 2011; Haidt, Koller & Dias, 1993; Keeley, 1978; 1984; Nozick, 1974; Rawls, 1971; Werhane, 1999; Werhane, Radin, & Bowie, 2004). Although these goals are not inherently in conflict, oftentimes pursuing one requires sacrificing others. Specifically, decision makers tend to face two fundamental trade-offs: To what extent should they allow deviation from equality (e.g., in terms of income inequality or pay dispersion) when inequality leads to greater aggregate efficiency and collective prosperity (e.g., Bloom, 1999; Keeley, 1978; Okun, 1975; Rawls, 1971; Siegel & Hambrick, 2005; Thorbecke & Charumilind, 2002), and should collective welfare or individual rights and interests be prioritized when they are in conflict (e.g., Arnold, 2010; Keeley, 1980; 1984; Moriarty, 2005; Nozick, 1974; Werhane, 1999; Unal, Warren & Chen, 2012). Although prioritizing certain goals over others shapes economic and compensation policy choices and impacts individual (e.g., perceptions of fairness and effort), organizational, and societal outcomes (e.g., stability, progression) (Bloom, 1999; Jost & Banaji, 1994; Keeley, 1978; 1980; 1984; Pratto, Sidanius, & Levin, 2006; Siegel & Hambrick, 2005; Thorbecke & Charumilind, 2002; Trevor, Reilly, & Gerhart, 2012) there is a dearth of scholarship on factors that influence individual choices.

Social science literature that examines the effects of prioritizing certain ethical goals reveals arguments and findings that are difficult to reconcile. For instance, some economists argue that deregulating the market and offering tax breaks for corporations

and the wealthy will increase capital accumulation and eventually economic growth (Thorbecke & Charumilind, 2002). Similarly, management scholars advocate merit based pay-for-performance systems. They claim this system will provide human capital advantages by attracting and retaining talented workers while increasing individual and organizational productivity (Bloom, 1999; Gully, Philips, & Tarique, 2003; Trevor et al., 2012). The assumption is that the value created as a result of higher efficiency will trickle down to all participants and the “rising tide will lift all boats” (Thorbecke & Charumilind, 2002; Wolfe, 1998).

However, other economists and management scholars oppose hierarchy-based systems because in their view economic inequity may impede long-term growth. From their perspective, created value does not generally trickle down to improve the economically disadvantaged. Rather, concentrated wealth in the hands of the elite and income inequality may result in violation of the individual’s right to subsistence (Deininger & Squire, 1998; Thorbecke & Charumilind, 2002; Wolff, 1998). Similarly, offering high compensation to attract the top talent does not necessarily increase corporate performance or growth (Moriarty, 2005; Siegel & Hambrick, 2005). Indeed, it may create a considerable amount of pay inequality (e.g., CEOs of the S&P 500 Index companies received, on average, 373 times more than the average employee; in 1980, it had been only 42 times more) and push some full-time employees below the poverty line, thereby forcing them to rely on public assistance programs (Arnold, 2010; Werhane, 1999; Werhane et al, 2004; see www.alfcio.org). Furthermore, redistribution practices (e.g., tax systems, bonus cuts) commonly advocated by the social justice proponents to reduce income inequality may instead reduce efficiency and violate the property rights of

the privileged (Nozick, 1974; Okun, 1975). Others argue, in contrast, that redistribution would actually serve the interests of the rich because it would reduce social unrest, lower crime rates, reduce the costs of educating the poor, and contribute to economic growth (Acemoglu & Robinson, 2000; Alesina & Giuliano, 2009; Thorbecke & Charumilind, 2002).

The conflicting arguments of the moral philosophers add even more emotion and ideology to the controversy about the relative importance of these ethical goals; from an ethical perspective, the solution is not clear. The empirical findings are only at an early stage and the literature fails to enlighten this debate (Bloom, 1998; Gully et al., 2003; Singer, 2000). Singer (2000) underlines the tension between the ethical theories and the need for more empirical research: “... *moral philosophers have been unable to prescribe absolute rules for the trade-offs among the three ethical considerations* (referring to utilitarianism, rights and justice). *Given that no such normative rule exists, relevant empirical findings of the relative weighting typically accorded each of the three criteria can be informative...*” (p.191: explanation in the parenthesis is added).

The opposing arguments and inconsistent empirical findings indicate the particular difficulties that policy makers and managers face. These difficulties are only further amplified for societies and multinational corporations (MNCs) when individual socio-cultural differences are considered (Aycan, Kanungo, & Sinha, 1999; Aycan, et al., 2000; Donaldson, 1989; Donaldson & Dunfee, 1994; Gully et al., 2003; Hinings & Greenwood, 2002; Spicer, Dunfee, & Bailey, 2004). Given that prosperity, justice and rights are considered as ethical goals by virtually all cultures but adherence varies widely across and within cultures (Christie et al. 2003; Cullen, Parboteeah, & Hoegl, 2004;

Davis, Johnson & Ohmer, 1998; Dies & Starr, 1992; Nisbett, Peng, Choi, & Norenzayan, 2001; Prasad & Rao, 1982; Wines & Napier, 1992), it can be argued that the efficiency of economic and compensation policies depends on the cultural values and beliefs of individuals. This is not surprising since “*values represent the implicitly shared abstract ideas about what is good, right and desirable in a society*” (Schwartz, 1999: p.25) and the level of adherence to these values differs across and within nations (e.g., Hofstede, 1980, 1991; Markus & Kitayama, 1991; Nisbett et al., 2001; Leung, 1997; Schwartz, 1994; 1999; Triandis, 1989; 1995).

In this study I aim to address these issues by investigating the effect of nationality and cultural values/beliefs (particularly collectivism and inequality justification) on ethical dilemma resolution in societies and companies. Four ethical dilemmas are investigated in this study. The first dilemma involves the tension between the desired end-states of economic prosperity and social harmony (Chen, 1995, Chen, Meindl, & Hunt, 1997; Okun, 1975; Rawls, 1971). The next two ethical dilemmas involve the conflict between the collective welfare and individual rights (Nozick, 1974; Okun, 1975; Rawls, 1971; Sen, 1982; 2000; Singer, 2000), specifically, between economic prosperity and rights of the disadvantaged and social justice and rights of the privileged. The fourth dilemma involves the conflict between the rights of the privileged and disadvantaged individuals within the society (Jost & Banaji, 1994; Nozick, 1974, Pratto et al., 2006). An exploration of these dilemmas is important for two main reasons. First, they reflect the incompatibility between the principles of, and end-states promoted by, fundamental ethical theories -deontological theories of rights and justice and the teleological theory of utilitarianism (Ferrell & Gresham, 1985; Nozick, 1974, Okun, 1975, Rawls, 1971).

Second, they are consistent with the dichotomies frequently seen in the social science literature such as the efficiency versus equality dilemma in political economy and economics literatures (e.g., Frohlich & Oppenheimer, 1987; Konow, 2001; Michelbach, Scott, Matland, & Bornstein, 2003; Mitchell, Tetlock, Newman, & Lerner, 1993; 2003; Scott, Matland, Michelbach, & Bornstein, 2001), the equity versus equality based reward distribution, and task performance versus harmonious relationship dilemmas in the management (Bloom, 1999; Gully et al., 2003; Siegel & Hambrick, 2005) and cross cultural management literatures (Chen et al. 1997; He, Chen, & Zhang, 2004; Hofstede, 1980, 1991; Leung, 1997; Triandis, 1989; 1995). And lastly, the ethical dilemmas fit closely with the cultural value differences of individualism-collectivism and belief that inequality is just, as documented by cross-cultural studies (e.g., Chen et al. 1997; He et al., 2004; Hofstede, 1980, 1991; Leung, 1997; Nisbett et al., 2001; Schwartz, 1994; 1999; Triandis, 1989; 1995) and studies on system justification (Jost & Banaji, 1994; Jost, Pelham, & Carvallo, 2002; Jost, Pelham, Sheldon, & Sullivan, 2003; Jost & Hunyady, 2003; Jost & Thompson, 2002). It is worth noting here that although the scenarios developed in this study present dilemma situations where two ethical goals are in conflict, I do not propose that these ethical conflicts are inherently unavoidable. Even though conflicts between rights of the privileged and social justice and between rights of the disadvantaged and economic prosperity seem to be sharp, the tension between hierarchical compensation systems and aggregate level efficiency is still open to debate.

In the current study I attempt to contribute to the research in the following ways. First, I develop a conceptual framework of ethical dilemmas based on various normative theories. My framework is built on two broad dimensions of collective welfare (economic

prosperity versus social justice) and individual rights (rights of the disadvantaged versus privileged members). In crossing the two types of conflicts, I generate four dilemmas between goals and rights, as opposed to defining different solutions of ethical dilemmas as “ethically suspect” (e.g., Cullen et al., 2004). The ethical dilemmas involve conflicts between 1) economic prosperity and social justice, 2) economic prosperity and the rights of the disadvantaged, 3) social justice and the rights of the privileged, and 4) rights of the privileged and the disadvantaged. Second, I attempt to integrate normative ethical theories and social science literature to shed light on the nature and resolution of such dilemmas. For instance, both the cross-cultural literature and literature on social dominance orientation (Pratto, Sidanius, & Levin, 2006) and system justification theory (Jost & Banaji, 1994) have investigated the egalitarian versus hierarchical social structures and their effects on the rights of the privileged and those of the disadvantaged (Cropanzano & Stein, 2009; Graham et al., 2011; Singer, 2000). Moreover, there is a call by the theorists to explore the cross-cultural differences regarding the preference for hierarchical social structures: “*..continued and astute observations of hierarchical structure across different societies and fluctuations in degrees of hierarchy within societies across time will do more to deepen our understanding of intergroup relations* (Sidanius & Pratto. 2003: 210). Third, I attempt to demonstrate how nationality and cultural values and beliefs affect individuals’ ethical preferences, beyond variables such as age, income, education, tenure, political orientation and belief in upward mobility. Although the findings may provide insights about the differences in ethical preferences between the U.S. and Turkey, the study is mainly conducted at the individual level and the findings are interpreted accordingly.

PRIOR LITERATURE

The relative importance of economic prosperity, social justice and individual rights has been the subject of inquiry of philosophers such as Confucius, Karl Marx, Machiavelli (Foucault, 1980; Hardy & Clegg, 2006; Hofstede, 1991; Li, 2006; Lukes, 1974), Robert Nozick (1974) and John Rawls (1971), management scholars (e.g., Arnold, 2010; Bloom, 1999; Gully et al., 2003; Moriarty, 2005; Siegel & Hambrick, 2005; Spicer et al., 2004; Trevor et al., 2012; Werhane et al., 2004), cross cultural researchers (e.g., Graham et al., 2011; Haidt et al., 1993; Hofstede, 1991; Rallapalli, Vitel, & Barner, 1998; Schwartz, 1999), sociologists (e.g., Jost & Banaji, 1994; Pratto, Sidanius, & Levin, 2006), economists (e.g., Hsu et al., 2008; Konow, 2001; Okun, 1975; Thorbecke & Charumilind, 2002) and political scientists (Cavanagh, Moberg, & Velasquez, 1981; Michelbach et al., 2003; Mitchell et al., 1993; 2003).

This long stream of research has mainly observed that individuals simultaneously use several ethical principles, such as equality, equity, efficiency, and rights, in their decision-making but prioritize them differently. Moral philosophy literature provides a foundation based upon a normative perspective. It examines how these ethical principles may conflict with each other and why a certain principle should be prioritized over others. Social science literature, on the other hand, investigates the relative importance ascribed to each principle from a descriptive perspective. Although the empirical findings provide information on the use of these principles (e.g., Baron & Spranca, 1997; Graham et al., 2011; Mitchell et al., 1993; 2003; Reynolds, 2006; Scott et al., 2001), research exploring factors that affect the inter-societal and intra-societal differences in terms of the

relative weighing of these principles is yet scarce (Sidanius & Pratto, 2003; Singer, 2000).

The normative foundation of the conflict between prosperity, justice and rights is clearly reflected in the debate regarding the incompatibility between the broad categories of ethical theories, particularly teleological and deontological theories (Nozick, 1974; Okun, 1975; Rawls, 1971). Teleological theories, utilitarianism being the most popular, judge the rightness of an action simply based on the consequences (Audi, 2007; Rawls, 1971; Sen, 1982; 2000). Thus, an action is considered right so long as it maximizes the collective welfare, defined as the aggregate goal or total sum of utilities generated in a particular social, political or economic unit (Keeley, 1984; Rawls, 1971; Sen, 2000). The deontological theories of justice and rights, on the other hand, judge an act based on its inherent rightness or its adherence to certain moral standards and restrict taking a moral goal, such as collective welfare, as an end state to be maximized (Nozick, 1974; Rawls, 1971; Sen, 1982). Specifically, rights theories specify the minimum entitlements, liberties and securities owed to all human beings (Donaldson, 1989; Donaldson & Dunfee 1994; Nozick, 1974; Okun, 1975; Rowan, 2000; Rawls, 1971; Werhane et al., 2004). Normative justice theories focus on the protection of all individuals, particularly the least-fortunate members, in the allocation of the benefits and burdens (Ferrell and Gresham, 1985; Rawls, 1971).

In his influential book Rawls (1971) argues why societies and their institutions cannot be structured to maximize collective prosperity at the expense of creating inequality and violating the rights of the disadvantaged members. His “difference principle” contends that equality should be prioritized unless inequalities improve the

lives of all participants, particularly the least advantaged (Rawls, 1971:78-79). Similarly, in focusing on the trade-off between equality and efficiency, Okun (1975) argues that democratic institutions increase the equality of all individuals through establishing rights and justice, whereas market-based economic institutions create inequalities for the purpose of maximizing collective economic prosperity. In contrast, Nozick (1974) argues that the rights of individuals should be prioritized over collective goals. He contends that redistributive practices aimed at stabilizing a society required in Rawlsian justice theory violate the rights of the individuals who possess the wealth and resources. The work of these moral philosophers provides the necessary theoretical foundations to develop an ethical dilemma framework.

Social science literature, on the other hand, strives to understand which goal is preferred by individuals. For instance, political economy literature has shown that laypeople use all or most of the ethical principles (e.g., efficiency, equality, maximin) in allocation decisions and prioritize them hierarchically based on other factors such as merit beliefs (e.g., Frohlich & Oppenheimer, 1987; Mitchell et al., 1993; 2003; Scott et al., 2001). The literature on individual values show that individuals make trade-offs between values but resist trade-offs between their “protected values”- the values that “arise from deontological rules such as human rights”- and economic goods (Baron & Spranca, 1997: p.1). However, the literature has not associated ethical preferences with cultural value differences.

A body of the cross-cultural ethics and management research has investigated the priority given to certain goals and compatible principles. A review of the cross-cultural ethics research reveals contrasting arguments and findings regarding priority given to

certain ethical goals and principles across different cultures. On one hand, a stream of literature suggests that ethical judgment and preferences are determined by both deontological norms and teleological evaluations; that is, individuals take into account both the violation of principles and the consequences of their decisions when faced with an ethical issue (e.g., Jones, 1991; Kujala, 2001; Rallapalli et al., 1998; Reynolds, 2006). Moreover, prosperity, justice and rights, are argued to be generally endorsed and proclaimed across all cultures and civilizations (e.g., Clarke & Aram, 1997; Graham et al., 2011; Haidt et al., 1993; Haidt & Graham, 2007; Graham et al., 2011; Haidt et al., 1993; Nisbett et al., 2001; Spicer et al., 2004). For instance, little variation in ethical beliefs from culture to culture has been found in studies that included countries such as the U.S., New Zealand, Denmark, Greece, Israel, Australia and South Africa (Abratt, Nel, & Higgs, 1992; Izraeli, 1988; Kennedy & Lawton, 1996; Lysonski & Gaidis, 1991). Yet another stream of research has observed that priority given to these ethical principles varies widely across and within different cultural groups and individuals therefore tend to accord different weights to ethical principles (e.g., Christie et al. 2003; Cullen et al., 2004; Davis et al., 1998; Dies & Starr, 1992; Nisbett et al., 2001; Prasad & Rao, 1982; Wines & Napier, 1992).

The cross-cultural management literature has associated collective-level goals with specific allocation principles. For instance, using equity-based hierarchical compensation systems and reward allocations are more compatible with productivity goals, equality-based compensation systems might work better when the goal is social harmony and collaboration, and need based allocation is preferred when the goal is protecting the well-being of all members (e.g., Bloom, 1999; Chen, 1995; Leung, 1997;

Leung & Bond, 1984; Siegel & Hambrick, 2003). The three distribution norms, equity, equality, and need, match well with the arguments of utilitarianism, justice, and rights theories. The need and equality based distribution generally refers to more egalitarian sharing and protecting all members' rights whereas equity pertains to more differentiation and efficiency.

The finding that justice, prosperity and rights are universally considered in the domain of ethics across cultures creates an opportunity to compare the relative weight given to different moral principles across cultures. Although some studies found that cultural values engender a tolerance of "ethically suspect" behaviors (Ahmed, Chung, & Eichenseher, 2003; Armstrong, 1996; Cullen et al., 2004; Christie et al., 2003; Spicer et al., 2004) and that collectivists prefer equality for in-group members and equity when interacting with out-group members (e.g., Leung, 1997; Leung & Bond, 1984; Stan et al., 2003), some studies provided contrary evidence. For instance, Chen (1995) found that the immediate goals and demands of the organizations might lead collectivists to deviate from equality and choose differentiation if it is needed for the benefit of the collective as a whole. Other studies failed to find a relationship between Hofstede's cultural values and ethical preferences (e.g., Goodwin & Goodwin, 1999). More importantly, failure to clearly conceptualize "ethically suspect" (e.g., Cullen et al., 2004) behaviors as ethical dilemmas and the specific factors that affect ethical trade-off preferences may undermine the accumulation of knowledge and generalizability of the results in this important stream of research (Pfeffer, 1993). The inconsistent findings and lack of conceptual clarity in defining the ethical choices indicate that the field is far from being conclusive.

Accordingly, I attempt to develop a normatively based framework of ethical dilemmas that involve conflict between collective welfare goals of economic prosperity and social justice and conflict between the rights of the disadvantaged and privileged members. I attempt to integrate the normative theories of morality and social science research on culture and investigate the effect of cultural values and beliefs on ethical dilemma resolutions.

THEORY DEVELOPMENT AND HYPOTHESES

A Framework of Ethical Dilemmas

As Rawls (1971) argues, it is almost natural and self-evident that collectives should behave just like individuals in striving to maintain their existence by advancing their welfare. However, pursuit of collective level goals and end-states oftentimes create fundamental ethical dilemmas that require trade-offs. Maximization of a given collective welfare goal or the rights of some members may come into conflict with other collective goals or rights of other members because collective choices require a certain distribution of benefits and burdens, privileges and advantages, and other forms of wealth among individuals (Nozick, 1974; Pratto et al., 2006; Rawls, 1971). More specifically, in order to maximize the fundamental goal of collective welfare, trade-offs are made between the oftentimes competing goals of economic prosperity and social justice (Okun, 1975; Rawls, 1974). Rawls argues that the collective-level goal of economic productivity requires providing a disproportionate share of limited opportunities, privileges and resources to high talent, high ability members to maximize efficiency and the total sum of utilities generated. Therefore, it particularly disadvantages the less fortunate due to their lack of talent, inability to use opportunities, and difficulties acquiring privileges (Keeley,

1984; Okun, 1975; Pratto et al., 2006; Rawls, 1971). Utilitarianism generally sets the moral foundation for justifying infringement on the rights of the few, particularly the least advantaged, for the sake of generating higher goods shared by many (Cavanagh et al., 1981; Keeley, 1980, 1984; Nozick, 1974, Okun, 1975, Rawls, 1971, Sen, 2000; Singer, 2000). However, the social science debate on whether inequality promotes efficiency while producing a trickle-down effect that improves the conditions of all is still ongoing (e.g., Bloom, 1999; Hsu et al., 2008; Konow, 2001; Okun, 1975; Siegel & Hambrick, 2005; Thorbecke & Charumilind, 2002).

In contrast, justice and rights theories do not condone greater gains of the collective at the expense of the disadvantaged (Nozick, 1974; Rawls, 1971; Sen, 1982; 2000). Prioritizing social justice requires an egalitarian system that compensates for inequalities and protects the rights of all members, particularly the disadvantaged (Nozick, 1974; Okun, 1975; Rawls, 1971, Sen, 1982; 2000). Justice theories also clash with rights theories. Rights theorists argue that it is unethical to violate the rights of privileged members in order to utilize their wealth for the collective good (Nozick, 1974; Okun, 1975).

Based on an extensive review of the moral philosophy literature and other relevant literature, this study examines four ethical dilemmas that reflect both the incompatibility of ethical theories and the dichotomy studies of the social science literature (e.g. equality versus hierarchy). In the following sections I develop a framework that specifies four ethical dilemmas. As shown in Table 1, the dilemmas involve the conflict between the collective end-states of economic prosperity and social justice, the conflict between economic prosperity and rights of the disadvantaged

members, the conflict between social justice and rights of the privileged, and finally the conflict between rights of the privileged and the disadvantaged. Below, I provide a more detailed explanation of each dilemma and highlight the inherent tensions.

 INSERT TABLE 1 HERE

Economic prosperity versus social justice. Organizations and societies alike strive to survive and maximize their welfare. Collectives generally need to achieve and balance the subordinate goals of economic prosperity and social justice for survival (Chen, 1995; Deutsch, 1985). However, because collectives are composed of individual members the welfare of the collective becomes a complex issue. The pursuit of economic prosperity and social justice oftentimes requires a different allocation of benefits and burdens among the members of the collective (Pratto et al., 2006; Rawls, 1971). The "aggregative-distributive dichotomy" (Rawls, 1971: 36) reflects the conflict that arises when these two goals are pursued simultaneously at the collective level.

The tension between the competing end-states of economic prosperity and social justice can be seen in the different distribution principles and patterns prescribed by the *difference principle* and the utilitarian maximization principle (Rawls, 1971). Maximizing economic prosperity and the productivity of a collective is embodied in the efficiency principle of utilitarianism, which favors decisions that generate the greatest good for greatest number of people (Audi 2007; Rawls, 1971; Sen, 1982). The concept of efficiency in economics, as well as in organizational and managerial studies, refers to creating maximum outcome out of a given input (e.g., Okun, 1975: 2). The efficiency principle originated with the Pareto optimality or improvement notion (Curtis, 1979;

Rawls, 1971) where a distribution or “*configuration is efficient whenever it is impossible to change it so as to make some persons (at least one) better off without at the same time making other persons (at least one) worse off*” (Rawls, 1971: p. 67). In other words, “*Pareto improvement upon an initial distribution is any alternative distribution according to which every recipient fares better or as well as he does in the initial distribution*” (Curtis, 1979: p. 166). If one of the two agents can be better off by swapping the goods they possess while the other is not disadvantaged, that distribution is not considered as efficient, meaning there is still room for improvement. When finite goods are to be distributed between two persons, however, there may be many efficient configurations, and in any of these configurations, one person could be improved while the other is left in a worse state. Thus, a distribution where one individual takes everything, or one in which all goods are equally shared are indifferent based on the efficiency principle of Utilitarianism so long as the total sum of personal utilities created is maximized (Rawls, 1971; Sen, 1982; 2000).

Similarly, the second principle of justice in Rawls’s theory, particularly the first part which is referred as the “difference principle”, deals with the distribution of opportunities, powers, income and wealth. The difference principle in the Rawlsian justice theory is stated as (1971:302):

“Social and economic inequalities are to be arranged so that they are both (a) to the greatest benefit of the least-advantaged, consistent with the just savings principle...”

The difference principle (or the maximin principle) asserts that inequality can be justified only to the extent that it creates equality by improving the lives of those least fortunate. It is an egalitarian principle that aims to maximize the prospects of those in the

lowest position compared to those in more privileged positions (Rawls, 1971:78-79). It dictates an equal distribution wealth, goods and opportunities *unless* giving more to the talented improves the efficiency and makes the least fortunate better-off (Rawls, 1971: 78). Therefore, the distribution patterns prescribed by the Utilitarian maximization principle and the Rawlsian difference principle are in conflict creating an ethical dilemma for societies and organizations.

Societies establish institutions in an effort to balance these oftentimes competing end-states. Economic intuitions (e.g., business organizations) and the market economy are designed based on the principle of efficiency for creating maximum welfare, many times at the expense of social justice. Although these institutions increase aggregate prosperity of the collective they also create disparities among individuals (Keeley, 1980; 1984; Okun, 1975; Rawls, 1971). Democratic institutions, on the other hand, are designed to establish the rights and promote equality for all citizens (Okun, 1975; Rawls, 1971). They aim to enhance solidarity and harmony among members of society through a more equal distribution of social goods and benefits (Deutsch, 1985; Leventhal, 1980; Mannix, Neale, & Northcraft, 1995) but do so by sacrificing efficiency at the aggregate level (Okun, 1975). Research on the relationship between economic equality and efficiency (i.e. economic growth) has so far provided conflicting findings, some studies presenting a positive relationship whereas others a negative one (e.g., Browning & Johnson, 1984; Curtis, 2003; Konow, 2001; Scott et al., 2001) . However, the positive association between inequality and growth (e.g., Forbes, 2000; Thorbecke & Charumilind, 2002) indicated that the choice between the two goals is continued to be seen as a dilemma for most of the decision makers.

In organizations human resource practices and policies fulfill the functions of economic and democratic institutions in the society. For instance, in order to pursue the goals of economic prosperity, organizations may provide privileges, benefits and resources to individuals who contribute more to the economic goals of the company. In so doing, they aim to increase individual effort and make their company more attractive to the most talented individuals (Adams, 1965; Bloom, 1999; Colquitt et al., 2005; Hickson et al., 1971; Salancik & Pfeffer, 1977; Trevor et al., 2012). However, others argued that the harmful effects of hierarchical compensation systems - the perception of inequity within the company, higher turnover, lack of cooperation, social malfunction, and lower group performance - may outweigh the benefits (Bloom, 1999; Siegel & Hambrick, 2005; Trevor et al., 2012). Accordingly, to facilitate and enhance harmony and solidarity, organizations try to balance inequity with egalitarian reward systems (Meindl, 1989; He et al., 2004). Some scholars argue that compressed pay dispersion creates a “common fate” incentive among the members of a group. The practice induces collaboration, encourages knowledge sharing, promotes a team atmosphere, and improves organizational performance, especially when task interdependence is high (Siegel and Hambrick, 2005; Trevor et al., 2012). However, more egalitarian pay distributions may also reduce individual effort, and therefore organizational performance, because high achievers may perceive it as unfair. In the absence of performance incentives, they may lose motivation to perform (Bloom, 1999; Siegel & Hambrick, 2005; Trevor et al., 2012). Although research on the effects of pay dispersion remain inconclusive, pay-for-performance literature (e.g., Trevor et al., 2012) suggests that unequal pay is still a dilemma for most of the policy makers.

Collective welfare versus individual rights. Individuals take part in cooperative ventures to pursue, advance and promote personal and collective goals and interests. Individuals can be argued to act appropriately as long as they don't violate the rights of others in their pursuit of personal welfare. Rawls (1971) argues organizations and societies should not behave in manners that maximize the collective good or welfare without considering whether it is right. The tempting idea of maximizing collective prosperity is prevalent in many fields, including political science, sociology, economics, and the management/organizational field. Below I discuss how pursuing or trying to maximize these end-state goals may result in a violation of individual rights. Specifically, I argue that ethical end-state goals prescribe certain distributional patterns whereas right theories only evaluate the fairness of a distribution based on the process or how it came about (Nozick, 1974).

Economic productivity versus rights of the disadvantaged Utilitarianism evaluates the morality of action based on whether it creates maximum good for a maximum number of people. The principle does not, however, offer restrictions that limit infringement of individual rights (Audi, 2007; Rawls, 1971; Sen, 1982). Violating the rights of some individuals is therefore seen as justifiable as long as greater utility is generated for the majority of people (Cavanagh et al., 1981; Keeley, 1980, 1984; Nozick, 1974; Okun, 1975; Rawls, 1971; Sen, 1982; 2000; Singer, 2000).

In contrast, Rawls (1971) argues that although a distribution that makes the least fortunate better-off may not be maximizing the greater "good," it can still be considered the "right" or "fair" way of sharing goods, especially in hypothetical circumstances of strict impartiality which he calls "the original position." In this state, no one knows his or

her place in society, class position or social status, conceptions of the good or special psychological propensities. Under the strict impartiality decisions are chosen behind a “veil of ignorance,” and rational individuals will eventually reach consensus on what are the “fair” principles of justice (12). Given that individuals are blinded by a “veil of ignorance,” none of them possess the knowledge to design principles that favor themselves; hence, they face the risk that they might end up getting the worst outcome. In the original position individuals are motivated to agree on the “fair” principles of justice because that is to their and others’ best interest (Rawls, 1971). Rawls (1971) proposed that the first principle of justice, a principle most individuals will agree upon, involves the protection of liberty: “Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all” (p. 302).

The second principle of justice is particularly concerned about the equal distribution of “economic rights” or “welfare rights” (Donaldson, 1989; Nozick, 1974). Rawls’ second principle of justice states that:

“Social and economic inequalities are to be arranged so that they are both (a) to the greatest benefit of the least-advantaged, consistent with the just savings principle (the difference principle) and b) attached to the offices and positions open to all under conditions of fair equality of opportunity.” (1971:302).

Rawls acknowledges that the principles are ranked in a lexical order. The first principle of justice has priority over the second principle, thus trade-offs between basic liberties and economic and social gains is not permitted. He also contends that the second principle of justice ranks ahead of the principle of efficiency, or the maximum good for a

maximum number of people, so justice cannot be violated in the name of efficiency (Rawls, 1971: 302-303). Rawls's strongly criticized the so called "merit" principle, or merit-based systems, because economic positions are the "cumulative effect of prior distributions of natural talent and abilities" (Rawls, 1971: 72). For Rawls (1971), a person's intelligence, their strength, and whether their family was wealthy or educated are social conditions he calls the "natural lottery"; these conditions are judged as arbitrary from a moral perspective. It is important to note that while the difference principle is a strong egalitarian principle, it is also a principle (Rawls, 1971:79) that aims to maximize the prospects of those in the lowest position (Rawls, 1971:78-79). The difference principle permits deviation from equality for maximizing the situations of the least advantaged men, the "social minimum," and dictates equal distribution *unless* a more efficient situation where the least fortunate are better-off is possible (Rawls, 1971: 78).

In a complementary manner, rights theories establish minimum entitlements, liberties and securities owed to all human beings and create corresponding duties and obligations for others and the collective (Bowie, 1998; Donaldson, 1989; Donaldson & Dunfee 1994; Rowan 2000; Nozick, 1974; Okun, 1975; Werhane et al., 2004; Rowan, 2000; Rawls, 1971). They establish restrictions for collective choices and actions (Cavanagh et al., 1981; Nozick, 1974; Rawls, 1971). From a purely economic standpoint, every right is considered inefficient since rights are not subject to market forces like other economic assets (Okun, 1975). For instance, people do not specialize in using certain rights to sell or exchange them for economic benefit or welfare generation in the market (Okun, 1975: 6-10). Accordingly, rights theories are consistent with deontological

theories of justice in opposing the infringement of the rights of a few for greater utility creation (Cavanagh et al., 1981; Nozick, 1974, Okun, 1975, Rawls, 1971, Sen, 1982).

Policy decisions in societies and organizations are reflection of normative principles even though they are not explicitly stated. For instance, economic wealth generation programs reduce government intervention and rely on the market for distributing valuable goods to increase efficiency (Browning & Johnson, 1984; Curtis, 2003; Konow, 2001; Nozick, 1974; Okun, 1975; Scott et al., 2001). These programs allocate resources and opportunities based on “merit” and “deservedness” and protect the possessions acquired as a result of individual effort, talent, and abilities. However, “unintended” consequences, such as impoverished citizens, are violations of right to subsistence (Donaldson, 1989, Donaldson & Dunfee, 1994; Rawls, 1971; Rowan; 2000; Werhane, 1999). In a similar fashion, orthodox organizational analysis generally defines welfare as aggregate level goals, such as economic performance measured by stock prices, growth or profit. The assumption is that organizational goals are shared and pursuing organizational goals serve the interests of all the employees (Hinings & Greenwood, 2002; Keeley, 1980, 1984). However, if profit making is assumed to be the sole purpose of the organization, then several employee rights (e.g., to receive equitable compensation) might be considered as costs due to their negative effects (Keeley, 1984, Okun, 1975). For instance, the right to safety for employees requires creating a safe working environment and providing “necessary protection” (Unal et al., 2012, p.10). But from the employer’s perspective, it may be considered as an added cost due to its negative effects on profitability (Reynolds, 2006). Similarly, the extra effort required for the realization of economic productivity goals of the organization might be detrimental

for individual's private or family life and may result in violation of their privacy or autonomy (Burroughs & Rindfleisch, 2002; Oishi, Diener, Lucas, & Suh, 1999; Unal et al., 2012). In summary, economic and organizational policies that aim to maximize economic efficiency might end up violating the rights of the disadvantaged, such as right to subsistence, by causing some of the individuals to live below the poverty line and rely on public assistance programs (www.alfcio.org) (Arnold, 2010; Keeley, 1978; 1984; Werhane, 1999).

Social harmony versus rights of the privileged Rawls's seminal work has not come without criticism. His work has spawned ongoing debates on what exactly constitutes justice and what principles lead to a fair distribution of benefits and burdens. The debates revolve around the tension between the "difference principle" that aims to maximize the outcomes of the least fortunate, and other ethical principles. Critics have asserted that Rawlsian justice principles reflect only one of the many different ways of prioritizing the arguably conflicting distributive justice principles (Michelbach et al., 2003). Nozick (1974), for example, argues that the justice principles underemphasize the rights and entitlements of the individuals. The tension between justice and rights, particularly the redistributive practices of justice for an egalitarian structure and the protection of entitlements of individuals, indicates a conflict between social justice and rights of the privileged.

Rights theories have been mainly concerned with how rights and corresponding duties are to be arranged or assigned (Nozick, 1974, Okun, 1975, Rawls, 1971, Sen, 1982). Most of these theories are stated in restriction-based forms (1982), such as the restriction-based rights theory proposed by Nozick (1974). Nozick (1974) strongly

emphasized the tension between equality promoting redistribution policies and infringement on the rights of the privileged members. He argues that ethical theories generally include a moral goal to be maximized as a desired end-state as opposed to it functioning as a side-constraint that should not be violated. Taking any moral goal simply as an end state reflects the narrow conception of such moral goals and principles; it simply transforms such principles into a type of utilitarianism (Nozick, 1974). For instance, taking protection of rights as a moral goal transforms rights theory into utilitarianism of rights, which would justify minimization of violation of rights even at the expense of violating the rights of a few. Thus, based on his theory, minimization of rights violation is not a moral goal or end-state to be pursued. As he notes "*Rights do not determine a social ordering but instead set the constraints within which a social choice is to be made, by excluding certain alternatives, fixing others, and so on*" (Nozick, 1974; p.166). Thus, the rights of the members should function as a side-constraint that determines what cannot be done to the individuals for the sake of collective interests.

Similarly, taking equality as a moral goal to be maximized would justify violating the rights of the few (e.g., right to property) for the moral goal of maximum equality in the redistribution of wealth and other goods (Nozick, 1974: 28-33). Nozick's distributable justice concept differs from others in the sense that he does not propose that a certain type of distribution is morally more preferable than others. As Nozick states "*The complete principle of distributive justice would say simply that a distribution is just if everyone is entitled to the holdings they possess under the distribution*" (151). In contrast to Rawls, Nozick believes the natural advantages of privileged individuals, such as high talent, ability and intelligence, do not violate anyone's rights. He argues that even

if an equal initial distribution is assumed, some people will be willing to sacrifice some of their wealth and other goods to enjoy the talent of the privileged. For instance, the less gifted would be willing to buy tickets to watch a highly talented basketball player, thus the voluntary transfer of wealth entitles prosperous members of society. The “difference principle,” which aims to maximize the prospects and expectations of those in the lowest position (Rawls, 1971), has been subject to criticisms by Nozick on the grounds that it is also an arbitrary principle (Nozick, 1974).

There are practical implications of these principles in societies and organizations. For instance, societies redistribute wealth and income by using progressive tax systems and welfare programs, such as unemployment benefits and Medicaid, for social justice purposes (Nozick, 1974; Okun, 1975). However, opponents of tax systems argue that redistribution violates individuals’ right to keep what they earn and distribute as they please. These systems conflict with the liberty to voluntarily engage in economic transactions (Nozick, 1974). In a similar fashion, organizations may cut benefits and bonuses provided to top earning employees to decrease pay disparity. A less hierarchical pay distribution sends the message that contributions of all employees are appreciated. Moreover, less disparity induces fairness perceptions (Bloom, 1999; Siegel & Hambrick, 2005; Trevor et al., 2012) and serves the social justice goal in organizations (Cavanagh et al., 1981; Keeley, 1978; 1984). However, opponents argue that employees who occupy high positions receive a higher proportion of benefits because they have greater human capital and make greater contributions. Thus, taking from privileged employees and redistributing to other employees to increase equality means underrewarding the high

contributors (Trevor et al., 2012), and thereby violating the merit principle and their rights.

Rights of the privileged versus rights of the disadvantaged. Rights “establish minimum levels of morally acceptable behavior” (Donaldson, 1989:167) and create corresponding duties and obligations for others (Bowie, 1998; Donaldson, 1989; Rowan 2000; Unal et al., 2012). Scholars generally make a distinction between negative and positive rights (Donaldson, 1989; Nozick, 1974; Sen, 1982; Werhane, 1999). Negative rights, such as right to life, autonomy, freedom, privacy, property, and pursuit of happiness, create corresponding duties so that others do not interfere with these rights. For instance, the right to property creates a corresponding obligation: Other people must not damage or use one’s personal belongings without permission (Rowan; 2000; Unal et al., 2012; Werhane, 1999). On the other hand, positive rights like the right to subsistence and due process, create duties as well: Other people are obliged to establish conditions where these rights can be exercised (Rawls, 1971; Sen, 1982; Werhane, 1999). For instance, individuals are entitled to basic needs, such as food and shelter, and society and its institutions are responsible for meeting these needs in cases when individuals are not self sufficient. When negative rights are more strongly emphasized and rights are construed simply as constraints on behaviors, rights theories become inadequate in addressing ethical dilemmas. For instance, although rights are considered inviolable, a less important right (e.g., right to property) cannot be protected even it causes infringement of a more fundamental right (e.g., right to life) (Sen, 1982).

Ideally, there is an “identity of interest” among the members of a society or organization since social cooperation leads to greater prosperity than if each person relied

solely on individual ability (Rawls, 1971: p. 4). However, while the degree, severity and definitional bases may change, almost all collectives organize as hierarchies where privileged and disadvantaged groups occupy different socioeconomic positions (Jost, Banaji, & Nosek, 2004; Pratto et al., 2006). The conflict between the privileged dominant groups and disadvantaged subordinated groups has been the central piece of the work of several leading scholars, such as Karl Marx and Max Weber, and has retained its legacy over time partly because conflicts are common in every collective and its resolution is critical for all groups (Hardy & Clegg, 2006; Emerson, 1962; Foucault, 1980; Hickson et al., 1971; Lukes, 1974; Pfeffer & Salancik, 1978; Pratto et al., 2006). Hierarchies are generally developed based on factors of age, gender, race, and other socially constructed categories, such as religion, ethnicity, and social class (Pratto et al., 2006). Hierarchy provides a disproportionate share of the limited positive value created through cooperation to privileged members while subordinated members suffer disproportionate burdens. For instance, the rights of the privileged enable them to acquire and maintain a disproportionate share of the desirable materials and symbolic resources such as power, wealth, property, security, and access to desirable housing, health care, and education (Pratto et al., 2006). On the other hand, the least fortunate members in the collective have to endure a disproportionate share of distasteful and unsatisfying work, low wages, substandard living conditions, lack of health services, poor working conditions, and low safety standards (Donaldson, 1989; Hackman & Oldham, 1980; Pratto et al., 2006; Unal et al., 2012). Therefore, protection of the rights of the disadvantaged members requires a redistribution of valuable goods, mostly possessed by the privileged members, to those who are disadvantaged (Nozick, 1974; Okun, 1975; Rawls, 1971). In some cases,

however, even the privileged might favor some redistribution because it can assuage social unrest, lower crime rates, reduce security expenses and accumulate capital via investment in education by the less fortunate (Acemoglu & Robinson, Alesina & Giuliano, 2009; Thorbecke & Charumilind, 2002)

Similarly, based on the political view, organizations are “contested terrains” where members struggle to control the distribution of productivity while simultaneously securing limited resources (Ranson, Hinings & Greenwood; 1980; Reed, 1992). Organizational life, therefore, is a collision of interests between privileged and disadvantaged groups. The interests of organizational members are protected in the form of rights, such as right to dignity, autonomy, self-development, safety, due process, due outcome, privacy, property, equality (or nondiscriminatory treatment) and subsistence (Donaldson, 1989, Donaldson & Dunfee, 1994; Radin & Werhane, 2003; Rowan, 2000; Unal et al., 2012; Werhane, 1999). The individual’s right to subsistence, for example, requires that employees receive economic benefits necessary for a decent existence, including access to food, shelter, and health services (Donaldson, 1989, Donaldson & Dunfee, 1994; Rawls, 1971; Rowan, 2000; Werhane, 1999). This right, however, may conflict with the rights and interests of the top earners. For instance, hierarchical pay distributions are implemented as a way to attract talent and create incentives to increase individual and organizational performance. However, the question here is whether top employees, such as a CEO’s, contribute enough to their organization to justify earning 300 times what the average worker gains. Due to the complexity of measuring the exact contribution of each individual to company performance, several incumbents of the top positions in organizations end up being “overpaid”. This implies taking away from those

who have not and giving to those who already have a lot (Arnold, 2010; Bloom, 1999). There are numerous cases where CEOs earn hundreds of times more than an average worker while the frontline employees rely on government support to survive. In such cases, compensation policy makers need to make trade-offs between the subsistence rights of the disadvantaged and property rights of the privileged.

The relative importance of the ethical goals and corresponding principles are likely to differ across organizations and societies. Given cultural and individual value differences, this is not surprising. Cross-cultural research and studies on system justification have shown that individualism-collectivism and the inequality-is-just belief are associated with hierarchical versus egalitarian distributions as well as different significance accorded to collective interests versus individual interests and rights (Hofstede, 1980; 1991; Schwartz, 1994; 1999; Triandis, 1989; 1995; Trompenaars, 1996). The relationship between cultural value differences and ethical preferences is explored in more detail below.

Cross-Cultural and Within Cultural Differences

While considered a cliché, statements such as “we live in a global world” and “the world is becoming smaller and smaller” reflect the importance of why a stronger understanding of culture and its implications is necessary (Tsui & Nifadkar, 2007). National boundaries are no longer obstacles in the contemporary business world. Multinational corporations compete in a variety of different regions; they have business units located all around the world with personnel who have different cultural values and ethnic backgrounds. However, the “scientific knowledge” of management and organizational studies has developed mostly in the western cultures (e.g., US) that

represent only a small amount of people of the world (Singelis et al., 1995). Cross-cultural studies are particularly important in this sense because they challenge the universality and legitimacy of several fields, including psychology and management. They have challenged scholars to account for cultural differences in the generation and application of so-called “universal” social scientific knowledge (Gelfand, Nishii, & Raver, 2006; Trompenaars, 1996).

Systemic comparisons of cross-cultural differences have been popular for a brief span of time (Gelfand, Erez, & Aycan, 2007). Various fields that were once “culture blind,” including management and organization studies, now account for cross cultural theories and research findings (Gelfand et al., 2006). However, cross-cultural studies themselves are not immune to weaknesses and limitations. Indeed, cross-cultural researchers need to overcome challenges, most of which are idiosyncratic to the field. One of the big challenges in cross-cultural studies is about conceptualizing and defining culture, arguably due to its complex and multidimensional nature (Hofstede, 1991; Schwartz, 1994; 1999; Schneider, 1987). Other challenges are related to conceptualizing and measuring cultural difference at the individual level versus the national level, construct validity of culture and its dimensions, sample equivalence, within culture heterogeneity, and etics and emics of culture (Aycan et al., 1999; Fisher, 2006; Kirkman, Lowe, & Gibson, 2006; Kitayama, 2002; Schwartz, 1994; 1999; Triandis, 1990; 1995; Tsui and Nifadkar, 2007). Despite these aforementioned challenges, cross-cultural research has grown substantially and provides an abundance of information regarding cultural differences across nations.

While there is still debate around what culture means and how it should be measured, generally accepted definitions construe culture as values, tendencies, characteristics and patterns of behavior that distinguish the members of a particular group from another. Kroeber and Kluckholm define culture as “*patterns, explicit and implicit of and for behavior, acquired and transmitted by symbols.*” They argue that “*The essential core of culture consists of tradition.... ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other hand, as conditioning elements of future action*” (1952: p. 181; cited in Tsui & Nifadkar, 2007: p. 429). Hofstede (1991), on the other hand, defines culture as a collective phenomenon that is learned and shared by those in the same environment: Culture “*is the collective programming of the mind which distinguishes the members of one group or category of people from another*” (p. 5).

Within the culture research, the orthodox approach has been to construe culture based on values (e.g., Hofstede, 1991; Nisbett, 2003; Wines & Napier, 1992; Schwartz, 1994; 1999; Triandis, 1989; 1995). Values are generally considered the core of culture, but they may or may not manifest as behaviors depending on the social norms. That is, while specific values and norms are universally endorsed as part of any civilized society, the level of adherence to these standards or their priority may differ significantly and the social practices may vary greatly among and within cultures (Davis et al., 1998).

Similarly, in cross-cultural studies, the orthodox approach to culture is to construe it either as a phenomenon that resides “in the heads” of the people or out there in the form of external realities and collective patterns of behaviors (Kitayama, 2002: p. 92; Schwartz, 1994; Swidler, 1986). Studies on national value differences, Hofstede (1980;

1991) being one of the most famous, focus on the most fundamental and common questions that all societies face (e.g., power inequality). These national values are inferred from the surveys where individuals report their values and beliefs, which are then averaged across members of the same nation or society (e.g., Hofstede, 1980; 1991; Schwartz, 1994; 1999). The mean score of a cultural value is assumed to reflect the importance of that value for the members of the same cultural group and represents the *shared* part of culture. These mean scores are then compared and contrasted with the mean scores of other nations to show cross-cultural value differences (Fisher, 2006; Hofstede, 1991; Schwartz, 1994). The assumption here is that individual values reflect societal values because they are partially a product of the socialization process where individuals are exposed to social, economic and political institutions while interacting with others (e.g., hierarchy relationships).

An alternative way in the self-ratings is to change the reference point and ask the respondents to report which values are important from the perspective of the “average” person in that cultural group (Fisher, 2006). Individual assessments provide information regarding the characteristics of the larger entity which they belong to. Such evaluations put the respondents to “observant” position who report their perception of what the majority of the individuals in their society or organization as opposed to “participant” role where respondent is simply required to provide information about the self (e.g., Aycan et al., 1999).

Given that scenarios which measure ethical dilemma resolutions focus on individual trade-off decisions rather than how the dilemmas would be resolved in their society, I followed the “participant” approach. It is worth noting here that although I

collect data from two presumably different cultural groups, the samples may not be representative of national cultures. Therefore, more data from larger samples might be needed to conclude that the U.S. and Turkey are culturally different in their ethical preferences. Instead, I test whether national identity and cultural values measured at the individual level influence individuals' ethical preferences. Nationality, as a variable, captures everything about being a member of a nation whereas individualism-collectivism and the belief that inequality is just capture individual values and beliefs. By considering the limitation of the existing data cross-cultural differences between U.S. and Turkey are explored. Furthermore, I investigate within cultural differences by using individual-level data, and I test whether cultural values and beliefs mediate the effect of nationality on ethical dilemma resolutions.

Cultural Values and Beliefs as Determinants of Ethical Preferences

Although cross-cultural research on value differences has taken an amoral approach, a closer look at the definitions of cultural values in the most influential works in the field, such as Schwartz (1994; 1999) and Hofstede (1991), reveals the embedded ethical content. Cultural values pertain to the conception of the good, right and desired and serve as guiding principles (Hofstede, 1991; Schwartz, 1994; 1999). Similarly, moral values serve as guiding ethical principles that reflect desired end-states (Wines and Napier, 1992). For instance, Schwartz defined values as “*desirable goals, varying in importance, that serve as guiding principles in people's lives*” (1994: p. 88). He also notes elsewhere that “*cultural values represent the implicitly shared abstract ideas about what is good, right and desirable in a society*” (1990: p.25). On the other hand, Hofstede defines values as “*broad tendencies to prefer certain states of affairs over others*” (1991:

p. 8). A more acceptable definition of a value is “*a conception explicit or implicit, of the desirable which influences the selection from available modes, means, and ends of action*” (Kluckhohn, 1951: p. 389, cited in Vines & Napier, 1992: p. 832). Graham and his colleagues, while discussing how values research can offer a lot to empirical study of ethics, explicitly stated; “*Clearly, many values are moral values, even if morality is defined only in terms of welfare and fairness concerns*” (2011: p. 368). These above examples, and many others, clearly indicate the association between cultural and moral values. Given the ethical content embedded in cultural values and beliefs, there is a strong ground to argue for their association with different ethical preferences.

Effect of collectivism and inequality justification on the preference for economic prosperity over social justice. Valuing economic prosperity over social justice is closely related to preferring efficiency over equality. Both economic prosperity and social justice serve the collective welfare. Economic prosperity is associated with maximizing the collective efficiency, whereas social justice is associated with protecting all members of society through equality (Rawls, 1971). Although they are not always in conflict, there are ample examples of how maximizing collective prosperity was achieved at the expense of social justice and vice versa. Oftentimes economic prosperity increases efficiency at the expense of equality whereas social justice increases equality at the expense of efficiency (Okun, 1975; Rawls, 1971). Therefore, societies and organizations need to balance the collective welfare goals of economic prosperity and social justice by making trade-offs between collective level efficiency and equality (Nozick, 1974; Okun, 1975, Rawls, 1971).

Cross-cultural research suggests that priorities given to economic prosperity and social justice may differ across the U.S. and Turkey. Hofstede's research (1980; 1991), for instance, is a great example of how cultures are compared based on their preferences. A cultural dimension is defined as "*an aspect of a culture that can be measured relative to other cultures*" (Hofstede, 1991: p.14). Out of the several cultural dimensions individualism-collectivism has taken the lion share of the attraction and become a well established cultural construct (Hofstede, 1991; Triandis, 1995; Triandis & Gelfand, 1998). An important aspect of individualism-collectivism is the importance ascribed to task, progress, efficiency and economic development over social cohesion, harmony, and relationships (Leung & Bond, 1984; Triandis, 1995). One robust finding from cross-cultural literature is that individualists are more task and efficiency oriented whereas collectivists are more relationship oriented (Leung & Bond, 1984; Triandis, 1995). Based on the findings that the U.S. is more individualistic whereas Turkey is more collectivistic (Hofstede, 1991; Oyserman et al., 2002; Wasti, 1998) and that collectivists tend to be more relational (Bond, Leung, & Wan, 1982; Chen, Meindl, & Hui, 1998; Hui, Triandis, & Yee, 1991; Leung & Bond, 1984; Hofstede, 1991; Triandis, 1995) I expect Turkish managers to more strongly prefer social justice over economic prosperity than U.S. participants.

More research exists on Americans than the Turkish people with regard to inequality justification. To my knowledge, research that compares the justification of inequality across Turkey and the U.S. has yet to be conducted. Inequality justification refers to the belief that existing hierarchical social arrangements are natural, legitimate, and fair, even when it is in conflict with personal and group interests (Jost & Banaji,

1994, p. 2). Although research on the inequality justification of the Turkish people is quite scarce one can find some indirect evidence regarding the legitimacy of economic inequality in Turkey. There is strong evidence that economic institutions in the U.S are perceived to be fair and just (Nozick, 1974; Rawls, 1971). On one hand, inequality in the economic system in the U.S. is as high as it is in Turkey based on the Gini coefficient, a well-established objective index of economic inequality used by institutions such as United Nations (UN), the World Bank, and Organization for Economic Co-operation and Development (OECD). The Gini index for the U.S. is .41 in 2010 whereas for Turkey the index is .40 in 2011, indicating high levels of inequality in both countries (www.worldbank.org). On the other hand, however, inequality is perceived as less legitimate in Turkey based on the corruption perception index developed by Transparency International (transparency.org). Turkey scores pretty low at 45/100 compared with the U.S. at 74/100 (higher scores indicate lower levels of perceived corruption) in the year of 2014. This clearly suggests that public and private economic institutions are perceived to be less legitimate in Turkey than in the U.S.

Defense for economic inequality, on the other hand, is less strong and rare in Turkey compared with the U.S. In the U.S., economic differences in the capitalist economic system are argued to incentivize competition and increase total efficiency (Okun, 1975; Smeeding, 2006). This incentive is crucial for the disadvantaged to improve their position by hard work and education. There is said to be a national ethos, or the American dream, where opportunity for prosperity and upward mobility exists for all who work hard (Pratto et al., 1994). Defenders of the American economic system have also argued that the total value produced as a result of this capitalist meritocracy will

“trickle-down” and all will share in the gains from rising aggregate affluence (Ravallion, 2001; Smeeding, 2006). Based on the above comparisons, I therefore propose the following hypothesis:

Hypothesis 1. *When resolving the dilemma between economic prosperity and social justice, U.S. participants will prefer economic prosperity whereas Turkish participants will prefer social justice.*

Individualism-collectivism is found to be associated with preference for hierarchy over equality. Collectivism is not only associated with the independent and interdependent self construal and concern for the collective. It is also associated with concern for equality-based interpersonal relationships within the group (Chen et al., 1997; Triandis 1995). Overall, collectivistic cultures prioritize harmony and equality with peers in the in-group over task performance (Brewer & Chen, 2006; Chen et al., 1997; Hofstede, 1980; 1991; Leung, 1997; Triandis, 1995). On the other hand, individualism has been associated with interpersonal competition and hierarchical relationships in addition to independent self-construal. Thomsen, Sidanius and Fiske (2007) similarly noted that Triandis’s (1995) individualism scale is defined by competition items, which imply hierarchy and inequality, in addition to autonomy items (p. 448).

Although economic development is important for developing countries such as Turkey, when economic development is detrimental to social justice and harmony, people who hold collectivist values could be expected to prefer social justice over economic prosperity. This is mainly due to maintaining the overall well-being of the collective by avoiding polarization and conflict. The literature generally suggests that collectivism is associated with preference for relationships, harmony, cohesion and equality over task,

efficiency, and economic development (Bond, Leung & Wan, 1982; Chen et al., 1998; Hofstede, 1991; Hui et al., 1991; Leung & Bond, 1984; Triandis, 1995). Accordingly, I propose the following hypothesis:

Hypothesis 2. *When resolving the ethical dilemma between economic prosperity and social justice, people who hold stronger collectivist values will prefer social justice over economic prosperity.*

While collectivist cultures can be expected to prefer social justice over economic prosperity, the relationship between collectivist values and resolution of the dilemma between prosperity and justice seems to be more complex. This complexity arises due to the simultaneous emphasis on equality and harmony as well as hierarchical social relations in collectivist cultures (Chen, 1995; Pellegrini & Scandura, 2008). Accordingly, I argue that the *system justification* construct is particularly useful here to address the above complexity since it refers to the acceptance of power differences, hierarchy and inequalities in the economic system (Jost & Banaji, 1994; Jost & Hunyady, 2003; Jost & Thompson, 2000). Karl Marx, Max Weber (Hardy & Clegg, 2006) and Michel Foucault (1980) have all examined the unequal distribution of power and resources and justifications for inequality. Power is one of the most fundamental and important topics in social sciences, arguably due to its critical significance for large audiences (Hardy & Clegg, 2006; Emerson, 1962; Foucault, 1980; Hickson et al., 1971; Lukes, 1974; Pfeffer & Salacik, 1978). Similarly, System Justification Theory is built on several important social science theories and constructs such as Social Identity Theory, belief in a just world, Cognitive Dissonance Theory, Marxist-Feminist Theories of ideology, and Social dominance theory (see Jost & Hunyady, 2003, for the detailed discussion of differences

and similarities between these theories). For instance, Jost and Thompson (2000) have found that individuals who believe inequality in the economic system is justified, that is, who believe that “*economic differences in the society reflect a legitimate distribution of resources*” (p. 225), are more likely to prefer merit-based hierarchical economic systems and less likely to support social welfare programs that increase equality. They also found a positive association between economic system justification and an *opposition to inequality* component of social dominance orientation (Jost & Thompson, 2000), meaning that individuals who have stronger belief that inequality in the system is just are more likely to think that “*social equality would be a bad thing*” and that “*there is no point in trying to make incomes more equal*” (Jost & Thompson, 2000; 221).

Furthermore, when an individual believes that people deserve what they possess and that the system creates inequality based on merit as opposed to chance or favoritism, they are more likely to prefer a less egalitarian distribution of economic assets and income (Michelbach, et al. 2003, Mitchell et al., 1993; 2003; Scott et al., 2001).

By drawing on the above discussion and research findings, I argue that individuals who have strong belief that inequality is just are more likely to prefer economic prosperity, that is prefer higher economic output at the collective level, over social justice. In contrast, when individuals have weaker belief that inequality is just, they will be more likely to believe that equal distributions of social benefits and burdens would better serve the collective welfare. Accordingly, individuals who have weaker belief that inequality in the economic system is just will be more likely to prefer social justice, so they will favor a more egalitarian distribution of benefits over economic prosperity. In short, I propose the following hypothesis:

***Hypothesis 3.** When resolving the ethical dilemma between economic prosperity and social justice, people who hold stronger belief that inequality is just will prefer economic prosperity over social justice.*

Effect of collectivism and inequality justification on the preference for collective welfare over individual rights. Hofstede argues that the relationship between the individual and the society is a common problem worldwide that has significant consequences in terms of how societies function and how individuals act and interact. In individualist societies, the interest of the individual has priority over the interest of the group. Ties between individuals are loose and everyone is expected to take care of himself or herself and their immediate family members (Hofstede, 1991: p. 50-51). On the other hand, in collectivist societies, the interests of individuals are subordinated to those of groups. Individuals are integrated into strong cohesive groups and they exchange loyalty for protection by the group (Hofstede, 1991: p. 50-51). Thus, in individualistic and collectivistic cultures, collective has different meaning and refers to different entities. For individualists, collective is simply an aggregation of individuals and assumed to have only derivative value (Keeley, 1984; Rawls, 1971). For a collectivist individual, collectives are presumed to be the primary and the superordinate entity (Chen et al., 1997, p. 47). Accordingly, individuals are part of the collective whole and their rights and interests should be subordinated to the collective welfare. Various other labels have been used in the literature to refer to cross-cultural value differences in reference to individualist versus collective focus. For instance, individualists were referred to as independent, idiocentric, egocentric, autonomous, and self-contained while collectivists were labeled

as interdependent, allocentric, sociocentric, relational, contextualists and connected (Markus & Kitayama, 1991).

As aforementioned, the U.S. is one of the most individualistic cultures in the world, whereas Turkey has emerged as a more collectivist culture (Aycan et al., 1999; Aycan et al., 2000, Hofstede, 1991; Oyserman et al., 2002; Wasti, 1998). Based on this finding, it is expected that Turkish participants will be more likely to prefer the overall well-being of the collective, be it economic prosperity or social justice, over individual rights, especially in relation to their U.S. counterparts. As stated by Unal et al. (2012), *“To the extent that the Eastern cultures emphasize the primacy of collective interests whereas Western cultures emphasize the primacy of individual rights the violation of collective welfare may been seen as more unethical in the East than in the West, and conversely, the violation of subordinate rights may be seen as more unethical in the West than in the East”* (p. 15; parenthesis added). The Social Progress Imperative (www.socialprogressimperative.org) also provides supporting evidence showing that Turkey scores relatively low on protection of the individual rights including right to property, freedom of assembly/association and inclusion of minorities. Therefore, based on collectivism I expect that Turkish participants will more strongly prefer economic goals of prosperity and social justice over individual rights than the U.S. participants.

As I argue above the U.S. participants are more likely to hold stronger belief that inequality is just. Because prioritizing the privileged rights maintains or enhances the inequality the Turkish participants are more likely to prefer social justice over the rights of the privileged. Therefore, based on both collectivism and inequality justification, I make the same prediction that Turkish participants are more likely to prefer social justice

over privileged rights. However, predictions for the choice between economic prosperity and rights of the disadvantaged based on collectivism and inequality justification are contradictory. Specifically, based on findings that collectivist Eastern cultures emphasize collective wellbeing whereas individualistic Western cultures emphasize individual rights, it can be argued that participants from the U.S. are more likely to prefer disadvantaged rights over economic prosperity. However, if individuals from the U.S. have stronger belief that inequality is just, then it can be expected that they are more likely to prefer economic prosperity over disadvantaged rights compared with the Turkish.

Although the difference between the U.S. and Turkey in terms of collectivism is well established (Ayman et al., 1999; Ayman et al., 2000; Hofstede, 1991; Oyserman et al., 2002; Wasti, 1998), the research on inequality justification is either indirect or predominantly focuses on within cultural differences; it largely captures individual or group differences (e.g., Jost et al., 2002; 2003; Jost & Hunyady, 2003; Pratto et al., 1994; Sidanius & Pratto, 2003). For instance, The Social Progress Imperative has found that U.S. scores very high on economic development and prosperity at the collective level, yet it scores relatively poorly on protecting the basic rights of the less fortunate (basic medical care and attainment of education, for example). Because the cross-cultural difference between the two cultures in collectivism is more direct and established, I propose the following hypotheses:

Hypothesis 4. *When resolving the dilemma between collective economic prosperity and rights of the disadvantaged, U.S. participants will prefer rights of the disadvantaged whereas Turkish participants will prefer collective economic prosperity.*

***Hypothesis 5.** When resolving the dilemma between social justice and rights of the privileged, U.S. participants will prefer rights of the privileged whereas Turkish participants will prefer social justice.*

The cultural value difference in terms of priority given to the individual versus the collective is closely associated with the ethical dilemma between collective welfare and individual rights. The tension between the individual and collective tendencies has been substantially investigated under different labels, such as *Gemeinschaft* and *Gesellschaft* (attributed to Tönnies, 1887/1957 in Oyserman, Coon, & Kemmelmeier, 2002). Cross-cultural psychology literature maintains that Western civilizations such as Europe and United States are based on the heritage of the ancient Greeks; therefore, they emphasize individual agency while East Asian civilizations, based on the heritage of Ancient China, emphasize collective agency (Brewer & Chen, 2007; Markus & Kitayama, 1991; Nisbett et al., 2001; Leung, 1997; Schwartz, 1994; 1999; Triandis, 1989; 1995). More current roots of individualistic ideas arise from the French and American Revolutions which emphasized ideas of liberty, freedom and the pursuit of happiness (Triandis, 1995). Individualism, and subsequent individual rights movements, were initially considered detrimental to the collective well-being and led to responses referred to as collectivism (Oyserman et al., 2002; Triandis, 1995).

The conceptualizations of individualism and collectivism indicate the close association with the conflict between economic prosperity and the rights of the disadvantaged. Several efforts have been made to clarify and refine the concepts of individualism and collectivism. Wagner et al (2011), for example, made a distinction

between utilitarian and ontological I-C. Utilitarian dimension pertains to the priority given to personal interests versus group interests. Utilitarian individualists pursue own ends and goals through individuals' efforts while utilitarian collectivists prioritize pursuing group-shared interests through cooperation (Wagner et al., 2011). Based on the ontological I-C dimension, individualists see the self as the primary entity and the group or society as an artifact construct composed of an aggregation of individuals. In contrast, collectivists believe groups are the primary entities and individuals are only incomplete parts of the group (Wagner et al., 2011). Similarly, Triandis (1995) argues that individualists emphasize the self as an autonomous free being independent of the group entity, whereas collectivists define the self as a part of the group. Collectivists have stronger group identification and derive their self-concept mostly from group membership (Markus & Kitayama, 1991; Triandis, 1989). Moreover, individualists prioritize individual goals over group goals whereas collectivists subordinate personal goals and aspirations for the goals and well-being of the group (Triandis, 1989; 1995). These conceptualizations and findings show that I-C is closely related to the conflict between economic prosperity and rights of the disadvantaged.

As discussed earlier, economic productivity is based on applying the utilitarian efficiency principle at the collective level and is measured by the total sum of utilities (Okun, 1975; Rawls, 1971). However, maximizing economic prosperity is oftentimes achieved at the expense of violating the rights of the disadvantaged members in the society. On the contrary, social justice is generally associated with equal allocation of wealth and other social goods in the name of protecting the interests of all members in the society, particularly the least advantaged (Rawls, 1991). However, as Nozick argues, the

notion of rights does not deem any distribution pattern as just. Rather, rights theories are historical, that is “*a distribution is just if everyone is entitled to the holdings they possess under the distribution*” (Nozick, 1974; p. 151). Therefore, the goal of social justice may violate the rights of the privileged because social justice aims to increase equality by using the resources mostly produced and possessed by the privileged without their consent.

Consistently, individualism-collectivism captures whether individual goals and interests or group goals and interests will take precedence. The individualism-collectivism distinction pertains to the fundamental ontological differences in terms of conceptualizing collective entities. Several philosophers and scholars, particularly from the Western tradition, have argued that construing collective entities, such as organizations, completely independent from their members is a failure. Collective entities have only derivative value because they lack the capacity to experience pleasure, pain or satisfaction and to have their own goals (Keeley, 1984; Rawls, 1971). On the other hand, Eastern tradition defines the collective as a primary entity and individuals exist as a part of the collective; they are given secondary importance to the collective (Hofstede, 1991; Triandis, 1995). Moreover, due to differences in terms of construing self and the collective, Chen (1995), Hofstede (1991), and Triandis (1995) argue that collectivists are more likely to sacrifice individual rights and interests for collectivist goals, be it social justice or economic productivity. On the other hand, individualists prioritize the protection of the individual against the collective and are more likely to subordinate collective goals and interests for the rights and interests of the individuals. Accordingly, I propose the following hypotheses:

Hypothesis 6. *When resolving the dilemma between collective economic prosperity and rights of the disadvantaged, people who hold stronger collectivist values will prefer collective economic prosperity over rights of the disadvantaged.*

Hypothesis 7. *When resolving the dilemma between social justice and rights of the privileged, people who hold stronger collectivist values will prefer social justice over rights of the privileged.*

Another stream of research reveals findings that indicate an endorsement of inequality might affect the trade-off between collective goals and individual rights. For instance, based on the study by Thomsen, Sidanius and Fiske (2007), although Denmark and the U.S. are both individualistic countries, they are different in their endorsement of inequality in power, prestige, wealth and income between the privileged and disadvantaged groups. They argue that individualism and collectivism is not sufficient to explain the endorsement of inequality and hierarchy in societies. Denmark is more focused on interpersonal leveling and equality of the outcomes (Nelson & Shavitt, 2002; Thomsen et al., 2007). On the other hand, U.S. society is structured to provide equality of opportunity but allow for large economic inequalities through competition. Inequality and hierarchy is legitimized in the U.S. in ways it is not in Denmark (Nelson & Shavitt, 2002; Okun, 1975; Triandis, 1995). For example, in Denmark university rankings do not exist. Schools do not offer programs for gifted and privileged kids but rather focus to aid less fortunate students who fall behind, whereas in the U.S. the focus is on the gifted and privileged mostly due to focus on national economic development and progress (Okun, 1975; Thomsen et al., 2007).

Tetlock (2000) categorized U.S. managers based on their political ideology which varied on two dimensions: authoritarianism and libertarianism. Individuals positioned very low on each dimension are referred to as anti-authoritarian and anti-libertarian egalitarians who dislike hierarchy and are suspicious about market-based differentiation. They support the welfare state and redistributive practices to aid the needy, respectively. Tetlock (2000) observes that anti-libertarian egalitarians more strongly object to policies that are against the interests of historically disadvantaged groups. Authoritarian and libertarian conservatives (managers who score high on the two dimensions) are more likely to put the burden on the least productive rather than equally sharing the burden.

These studies suggest that strong beliefs which seek to justify economic inequality will be negatively associated with violation of privileged rights in the name of justice and equality. In contrast, weaker belief that inequality in the economic system is just will lead individuals to sacrifice rights of the privileged in order to ensure a more equal distribution of economic resources. Based on these findings, I propose the following hypotheses:

Hypothesis 8. *When resolving the dilemma between collective economic prosperity and rights of the disadvantaged, people who hold stronger belief that inequality is just will prefer economic prosperity over rights of the disadvantaged.*

Hypothesis 9. *When resolving the dilemma between social justice and rights of the privileged, people who hold stronger belief that inequality is just will prefer rights of the privileged over social justice.*

Effect of collectivism and inequality justification on the preference for rights of the disadvantaged over those of the privileged. Values of individual freedom, independence, and pursuit of personal goals are deeply rooted in individualistic Western cultures such as the U.S. (Nisbett et al., 2001). These individual rights and liberties are further established by democratic institutions that seek to protect the rights of all citizens in individualistic societies (Nozick, 1975; Okun, 1975). While the importance of individual rights, liberties and other entitlements are almost natural and taken for granted for individualists, there still seems to be differences among individualists as well as across collectivist countries in terms of whether the rights of the privileged or the disadvantaged should be protected, or otherwise be sacrificed, when they come into conflict (Jost et al., 2004; Pratto et al., 2006; Singelis et al., 1995; Triandis and Gelfand, 1998). In the U.S.'s case, discriminatory treatment of minority groups and women continues with favoritism given to dominant groups (DiTomaso, Post, & Parks-Yancy, 2007; Jost et al., 2002; 2003 Jost & Hunyady, 2003; Pratto et al., 1994; Tilly, 1998). It has been found that both the disadvantaged and privileged members exhibit favoritism towards dominant members, even when this causes disadvantaged members to internalize "inferiority" or feel "complicit" of their circumstances (Jost et al., 2003; Jost & Hunyady, 2003; Pratto et al., 1994). Furthermore, findings indicate that the U.S. devotes the smallest amount of funds, compared to other industrialized nations such as Germany, Austria, Finland and Sweden, to protect the subsistence rights of disadvantaged children, single parents, and elderly women (Smeeding, 2006). These and other similar findings suggest that the rights of the privileged are more prominent in the U.S. than in Turkey.

Based on these research findings, I predict that U.S. participants are more likely to prefer protecting the privileged rights over disadvantaged rights.

***Hypothesis 10.** In resolving the dilemma between the rights of the privileged and the disadvantaged, U.S. participants will prefer rights of the privileged whereas Turkish participants will prefer rights of the disadvantaged.*

In collectivistic cultures such as Turkey, people in power generally develop a paternalistic relationship with the people in lower positions. This paternalistic relationship some type of combination of authority and benevolence where those in positions of power and authority guide the professional and personal lives of the subordinates and protect them with the expectation of loyalty, obedience and deference in return (Ayman et al., 2000; Gelfand et al., 2007; Pellegrini & Scandura, 2008). While these paternalistic relationships are viewed as authoritarian in individualistic cultures, in collectivist cultures benevolence of the privileged and improving the well-being of individuals in subordinate positions is more strongly emphasized (Gelfand et al., 2007; Pellegrini & Scandura, 2008). Accordingly, I propose the following hypothesis:

***Hypothesis 11.** When resolving the dilemma between rights of the privileged and the disadvantaged, people who hold stronger collectivist values will prefer rights of the disadvantaged over those of the privileged.*

As argued by Pratto et al (2006), protecting the rights of disadvantaged individuals potentially challenges beliefs in meritocracy. On the contrary, protecting the rights of the privileged members potentially solidifies and reinforces the hierarchical status-quo (Pratto et al., 2006; Unzueta et al., 2012). For instance, Unzueta, Everly and

Gutiérrez (2012) describe discrimination claims made by whites (generally considered privileged members in U.S.) as potentially enhancing and reinforcing the social hierarchy whereas discrimination claims made by blacks (generally considered the historically disadvantaged group) potentially challenge and attenuate the hierarchy. Their findings indicate that individuals who score high on social dominance orientation (SDO; Pratto et al., 2006) - a general desire and support for group-based social hierarchies - react more negatively to discrimination claims made by Blacks and more positively to claims made by Whites. Finally, several studies have found that when individuals believe that privileged members indeed “deserve” what they possess, in other words, when they believe that inequality in the system is based on merit and therefore justified, they are less likely to endorse infringing upon the rights of the privileged (Michellbach et al., 1993; Mitchell et al., 1993; 2003; Scott et al., 2001).

Accordingly, I argue that the resolution of the ethical dilemma between privileged and disadvantaged rights will depend on the belief that inequality is just. The stronger the belief that inequality is just the more likely the preference for protecting the rights of privileged members over the disadvantaged because this will maintain the hierarchy. On the contrary, a weaker belief that inequality is just increases the likelihood that the person prefers protecting the rights of the disadvantaged over the privileged because this will attenuate inequality in the system (Pratto et al., 2006). Therefore, I propose the following hypothesis:

Hypothesis 12. *When resolving the dilemma between the rights of the privileged and those of the disadvantaged, people who hold stronger belief that inequality is just will prefer rights of the privileged over those of the disadvantaged.*

Collectivism and Inequality Justification as Mediators

National values become embedded in the economic, social and political institutions as norms, rules and roles. Past experience to resolve the problems pertaining to regulating human actions and interactions are encapsulated in institutional structures over time and work as guidelines for subsequent practices (Douglas, 1986; Lukes, 1971). This established structure of relationships, and the rules and roles embedded within, largely determine and shape our beliefs regarding who we are, how we relate to others and how we think about and respond to our external environment (Nisbett, 2003; Schwartz, 1994; 1999; Triandis, 1995). Overtime, these institutional norms, rules and roles, as well as the types of actions and interactions they impose, become unquestioned. They are taken for granted; eventually, they become established as natural and unchangeable aspects of everyday life (Douglas, 1986; Suchman, 1995; Triandis, 1995; Lukes, 1974). Without disregarding the substantial impact on human behaviors, however, institutional norms only partially shape the preferences and behaviors of individuals (Hofstede, 1991; Triandis, 1995). The individual is not simply a “product” of cultural values and institutional norms but are agents who constitute and reproduce the cultural system through their collective actions and interactions (Douglas, 1986; Marsden, 2005; Schwartz, 1999). The interplay between the agent and the structure has been one of the main debates in explaining human preferences and behaviors, where several psychologists and sociologists take opposing sides.

The agent versus structure dichotomy has also found its proponents and opponents in person-situation debate in the management field (Chatman, 1989; David-Blake & Pfeffer, 1989). The interaction between the agent and structure has been studied

under different terms and labels such as person-environment fit, person-organization fit, and person-job fit (Edwards, 1996; Kristof-Brown, Zimmerman, & Johnson, 2005). The interactionist approach has reconciled these opposing views by positing that behavior is a function of the characteristics of the person and the situation (Chatman, 1989; Chatman & Barsade, 1995; David-Blake & Pfeffer, 1989). The interactions approach suggests that individuals and cultural systems may be in harmony or in conflict under certain times and conditions. For instance, when there is a “fit” between individual values and organizational values, positive outcomes such as job satisfaction and organizational commitment result (O'Reilly, Chatman, & Caldwell, 1991). On the other hand, an incongruence between individual values and organizational norms is not only associated with a decline in desired employee behaviors; it also leads to façades of conformity - “false representations created by employees to appear as if they embrace organizational values” (Hewlin, 2003: 634).

In the cross-cultural psychology literature scholars similarly discuss whether culture is a phenomenon that resides “in the heads” of the people or it is external realities and collective patterns of behaviors (Kitayama, 2002: p. 92; Schwartz, 1994; Swidler, 1986; Triandis, 1995). The “fit” construct has also been used in culture studies at several levels of analysis. For example, research has looked at the congruence between individual values, organizational values, and cultural values, (Fisher, 2006; O'Reilly et al., 1991). In such fit or congruence analysis, culture at different levels (e.g., national, organizational) is construed as tight or loose (Gelfand et al., 2006) or as a strong or weak situation (Meyer, Dalal, & Hermida, 2010; O'Reilly et al., 1991). A tight or strong culture indicates that there is high degree of consensus on the norms that define the expected,

supported and desired patterns of behaviors and practices among the majority of the members of an organization or society (Denison, 1996; Gelfand et al., 2006; Meyer et al., 2010; Schneider, 1987; Zohar and Tenne-Gazit, 2008). The norms are rooted in the cultural system of values, assumptions and beliefs and “*are the standards for values that exist within a group or category of people*” (Hofstede, 1991: p. 9). These arguments indicate that cultural norms are expected to reflect the values of the individuals. However, individual values may diverge from the cultural values and norms.

Cross-cultural psychology research shows a weaker than assumed correspondence between self and culture referenced evaluations—the former explores individual level aspirations and desired end states, whereas the latter measures what is most important for the majority in one’s culture (Fisher, 2006). These theoretical arguments and findings indicate the importance of taking into account both individual values and nationality because nationality reflects the values and norms of the majority - or a typical member- in organizations and societies (Fisher, 2006; Schwartz, 1994; 1999; Triandis, 1995). The institutional norms can function as “magnets” that restrict individuals from preferring socially desirable actions while ultimately minimizing deviation from the social norm. Gelfand et al. (2006) argue that some national and organizational cultures are more strong and tight than others. In these tight cultures, individual discretion and freedom is to a large extent regulated and controlled by norms and associated sanctions. Individual differences are perhaps less likely to manifest because people are aware that their actions and are being closely monitored for the “well-being” of the collective (Mardin, 1983). Thus, when individual values come into conflict with societal or organizational norms, individual differences are more likely to stay latent and conformity to norms occurs

mostly due to instrumental reasons. However, in the long run, these values and practices might be internalized (Dutton, Dukerich, & Harquail, 1994; Mayer, Allen, & Smith, 1993; O'Reilly & Chatman, 1986). In loose cultures, norms are not very strict and conceptions of good, right and desired are more broadly defined. Therefore, loose cultures allow for broad socialization processes and variety (Gelfand et al., 2006; Hofstede, 1998). In such cultures, societal and organizational norms are not as strict. Individuals are not strongly concerned about the expectations of others and have more opportunities to present their differences.

Based on the above arguments resolution of ethical dilemmas will be affected by both nationality and an individual's values. That is, nationality will reflect the dominant values in one's culture, whereas individual values will reflect the endorsement of such values. It is to our knowledge that Turkey is a more collectivistic culture whereas the U.S. is more individualistic (Hofstede, 1991; Oyserman et al., 2002; Wasti, 1998). Indirect evidence also indicates that endorsement of economic inequality is less strong and rare in Turkey compared with the U.S. The effect of nationality on ethical dilemma resolutions is therefore mediated by collectivist values and belief that inequality is just. Accordingly, I propose the following hypotheses:

Hypothesis 13. *Collectivism will mediate the effect of nationality on ethical dilemma resolutions.*

Hypothesis 14. *Inequality justification will mediate the effect of nationality on ethical dilemma resolutions.*

The proposed theoretical model is presented in Figure 1.

INSERT FIGURE 1 HERE

METHOD

Design and Pretest of the Ethical Dilemma Scenarios

Scenario method (vignettes) is widely adopted in the cross-cultural research, management literature and business ethics research (Fisher & Smith, 2003; Rallapalli et al., 1998; Spicer et al., 2004; Trompenaars, 1996). In their review of the methodology employed in the business ethics research Randall and Gibson (1990) argued that survey research tends to omit information crucial to realistic decision making and recommended scenario methodology as a way to capture the ethical dilemmas faced in the societal and business contexts. Accordingly, I developed scenarios to measure how individuals resolve ethical dilemmas. The scenarios are originally developed in English language and then I translated the scenarios to Turkish language. The scenarios were then back-translated by two bilingual individuals to English and the discrepancies were resolved.

The objective here was to develop scenarios that have high resemblance to the actual ethical dilemmas in organizational and societal settings so that the ethical choices measured in the current design could reflect the real choices managers make in the organizational and societal contexts (Aronson et al., 1990; Ilgen, 1986; McGrath, 1982). Based on the pretests and the feedback from the students I developed four society and four company scenarios and the final revised versions were used in the study.

Scenario development. I adopted scenarios that have been developed and used in the literature. To measure the trade-off between economic prosperity and social justice, I adopted the “hypothetical society” scenario. This scenario was developed to measure individuals’ preferences of a specific allocation principle in making distributive justice judgments (equality vs. efficiency), including Rawlsian maximin principle (e.g., Michellbach et al., 1993; Mitchell et al., 1993; 2003; Scott et al., 2001). To measure the economic prosperity versus disadvantaged rights dilemma I adopted the “wage arrears” scenario developed and used by Spicer et al. (2004). Furthermore, I adopted a scenario that focuses on the bonus allocation formula in organizations from the “Dimensions of fairness scale” that is being developed by Iyer (<http://www.yourmorals.org>). This dilemma was revised to measure social justice versus privileged rights and disadvantaged versus privileged rights dilemmas.

The scenarios were revised with the aim of making the ethical dilemmas more explicit. How certain ethical goals conflict with each other and why one goal should be preferred over the other was also explained in the scenarios. To measure all of the dilemmas in the ethical dilemma framework additional scenarios were also developed based on the initial set of scenarios. These additional scenarios were either revised versions of the original scenarios or were rewritten in a similar format. They included ethical issues that are common and salient for the participants across both cultures.

The first versions of the scenarios were first assessed by two Management and two Business Ethics faculty. The four faculty members provided detailed comments about how well the scenarios reflected the actual dilemmas in terms of their realism and

whether the language was clear. The scenarios were revised based on the feedback and they formed the preliminary set of scenarios for subsequent validation.

Pretest of the scenarios. I administered a subset of the preliminary scenarios to undergraduate business students who were taking Principles of Management ($n = 101$) and Business Ethics ($n = 47$) courses. A survey that includes a subset of the scenarios was offered as an extra credit opportunity for the students in the Business Ethics classes. A unique link for the survey, which allowed students to participate in the study via an online survey platform, was provided. The remaining set of scenarios was also administered to the students in the Principles of Management class within the allocated class time. The students were given a hard copy of the scenarios and enough time to complete the study. Student response technology – clickers - was also used to collect data. After students read each scenario and made their choice they responded to a following question that asked whether they agree or disagree that there is an ethical dilemma in the scenario. Although most of the students successfully used the clickers to provide their answers a few of the students (ranging between 1 and 5 in each case) failed to use the clickers within the amount of time allowed to provide answers. This has caused the number of responses for each dilemma to vary. The results are presented in Table 2.

 INSERT TABLE 2 HERE

The results indicate that majority of the students defined the scenarios as an ethical dilemma although some of the students in each case disagreed. To explore why some of the participants disagreed that there is an ethical dilemma in the scenarios I conducted follow-up informal interviews. The additional information obtained from the

conversations with the students indicated that although students perceived that there is a conflict between the ethical goals in the scenarios their strong ethical convictions led them to believe that the situations presented no real dilemmas to them. The feedback received from the students suggested that their disagreement does not necessarily mean an absence of an ethical dilemma or conflict between the goals in the scenarios, but rather, showed that some individuals have strong commitments to specific ethical goals. Students also provided feedback regarding whether the dilemmas and the choices were clear, or more information/explanation was needed. The scenarios were revised based on the feedback.

In order to make sure respondents can clearly understand which ethical goals are in conflict in each scenario students in the Principles of Management class also responded to an additional comprehension check question: *“Is there a dilemma in this scenario? If yes, what is the dilemma? Please be specific.”* Students provided a written response to this question and hand in the hard copy to the instructor. However, not all students responded to the question and the number of responses varied across the scenarios. I coded all the answers and grouped similar answers under general categories. The results are presented in Table 3.

 INSERT TABLE 3 HERE

The results show that most of the students understand the dilemmas and the ethical goals that are in conflict in each scenario. Although some of them defined the

dilemmas in more abstract terms using concepts/constructs (e.g., property rights) others defined them at the more concrete level (e.g., taxing wealthy).

Below I provide a more detailed description of the scenarios that measure the ethical dilemmas resolutions (the full scenarios are presented in the Appendix).

Economic prosperity vs. social justice Participants read a scenario either about a society or a company. In the society scenario participants were informed that their country / company is currently undergoing debates regarding the level of income/salary inequality and there are two camps with opposing views: the economic prosperity camp versus the social justice camp (in the company scenario they were performance camp versus the social cohesion camp). The economic prosperity camp advocates economic growth and argues that income inequality is morally justified as it incentivizes competition and leads to higher average income. The social justice camp argues, in contrast, deviation from equality is morally justified only if it makes all better-off. The participants were then presented with compensation allocation schemes that represent the distribution of income/salary as a result of each policy advocated by the two camps (only the predicted results of the policies are presented). Economic prosperity is operationalized based on the utilitarian efficiency principle as higher average income which also reflects the total sum of income generated for the members of the organization/society (Michellbach et al., 1993; Mitchell et al., 1993; 2003; Scott et al., 2001). On the other hand, social justice is operationalized as higher equality among the income levels of the members and indicated by the equality measure presented on top of each policy distribution. Equality, called the “income inequality ratio”, was the ratio of the highest earning groups (4th and 5th quintiles) to the lowest earning groups (1st and 2nd

quintiles). Varying the level of income/salary in terms of quintiles in each allocation scheme allowed for the measurement of the trade-offs. In short, the dependent variable, *ethical trade-off between economic prosperity and social justice*, is measured by the choice of distribution scheme that reflect the results of each policy. Five (5) distribution schemes were presented ranging from Policy A, which leads to highest efficiency and average salary for the collective but lowest equality, to Policy E, which leads to highest level of equality but lowest average income / salary. A sample of the reward allocation schemes are presented in Figure 2 (Michellbach et al., 1993; Mitchell et al., 1993; 2003; Scott et al., 2001).

 INSERT FIGURE 2 HERE

Collective welfare vs. individual rights I developed 4 scenarios to measure the trade-off between collective welfare and individual rights. Two of the scenarios capture the dilemma at the societal level whereas the rest two at the company level.

Economic prosperity vs. rights of the disadvantaged The *society scenario* involved budget cuts on social programs and using the funds for economic growth programs to speed up the recovery of the national economy that has been in recession in the last decade. The participants read about the two sharply contrasting views and their moral justifications. The trade-off is measured by the allocation of funds between economic programs, which will make all better off, and the social programs, that are designed to protect the basic rights of underprivileged members such as food, shelter,

medical assistance (Donaldson, 1989, Donaldson & Dunfee, 1994; Radin & Werhane, 2003; Rawls, 1971; Rowan, 2000; Spicer et al., 2004; Unal et al., 2012; Werhane, 1999).

The *company scenario* involved a firm delaying the wages of the employees to recover the economy of the firm which has accumulated a huge debt in the last decade (Spicer et al., 2004). Again participants read about the two sharply contrasting views and associated moral justification. The trade-off involves the choice of the length of the delays of the wages for the economic recovery of the company.

Social justice vs. rights of the privileged The *society scenario* described the tension in society due to widening public healthcare inequalities in the rural compared to urban regions. As a remedy, a new legislation was proposed that would require compulsory service of two years in rural regions for medical school faculty. The scenario describes two groups with opposing views and their moral justifications regarding why mandatory service would be ethical or unethical. The trade-off is measured by the choice of the length of the mandatory service, ranging from no compulsory service to 24 months of service, for the goal of social justice concerns, that is, reducing inequalities in healthcare.

The *company scenario*, on the other hand, involved the tension due to the practice of ranking employees and the resulting large pay gap between the top 10% high bonus earners and the rest of the employees. A proposal is made that adapts a new bonus allocation formula which reduces the bonuses for the top 10% employees while increasing the average bonuses of all other employees. The trade-off is measured by the choice of the percentage of cuts on the compensation of the top 10% employees to reduce the wage inequality. The choices ranged between no cuts to 6% cut.

Rights of the privileged vs. rights of the disadvantaged The *society scenario* described the aftermath of a natural disaster and the devastating consequences for the victims. In the society dilemma the participants were introduced to the two contrasting views regarding the government proposal to levy a disaster tax on the wealthy households. They were informed that the philanthropic and other funds have drained yet were not enough. They also read the underlying moral justifications for each of the opposing views. They were presented a decision which allows them to make a trade-off between the entitlement rights of the affluent individuals and the basic rights of the disaster victims by choosing between the options ranging from no tax to 6% tax.

In the *company scenario* the victims were depicted as company workers and the proposal involved establishing an employee disaster relief fund and mandatory salary cuts from all of the high level managers to aid the victim employees.

Sample and Procedure

A total of 286 (144 US + 142 Turkish) managers who were students enrolled in MBA or social science Master's programs at business schools in the U.S. and Turkey participated in the study. I gained access to the students who were registered to management courses such as Organization Theory, Organizational Behavior, Management Skills and Negotiations through the faculty members. Management faculty either announced the study to the students during the semester or included the study in the course syllabus as an opportunity for extra course credit. Moreover, a brief note about the study was sent to the students via email by the faculty members including the researcher's contact information. Participation was voluntary and students were also provided alternative project/assignments for extra credit. Data were collected using an

online survey platform. The unique link for the questionnaire with brief information about the study and the consent form was sent to the students by the faculty members. It was also stated that the responses will be kept confidential and the results will be used only in aggregate forms in the presentation of the findings. Students used the unique link to access the questionnaire and before responding to the questions they read and completed the consent form. Students provided their school ID numbers but not their names. The researcher did not have access to the name list associated with the school ID numbers whereas the instructors/faculty members did not have access to students' responses. The list of ID numbers of the participants was sent to the faculty members by the researcher. This way the confidentiality of the students' responses was assured.

The questionnaire included the scenarios that measure ethical dilemma resolutions, scales that measure cultural values and beliefs and demographic questions. Although the measures for cultural values and demographic questions were identical, the participants were randomly assigned to the questionnaires that included either company or society scenarios. This practice was chosen to decrease the length of the questionnaire and increase the quality of the data. Participants first responded to the scenario questions, followed by the inequality justification and collectivism scales, and finally responded to the demographics questions. The order of the questions was the same for the society and the company scenarios.

More than 70% of the students who were given the opportunity participated in the study (156 out of 186 in the U.S.) and Turkish (142 out of 202 in Turkey) samples. To increase the validity of the data I discarded any participant that has not taken enough time to carefully read the questions (e.g., less than 10 minutes), which was electronically

recorded as participants complete the survey, or if a participant answered all questions similarly despite the reverse coded items (5% of the data). As a result, a total of 152 managers (76 US and 76 Turkish) completed the society dilemmas and 134 managers (68 US and 66 Turkish) completed the company scenarios.

Of the respondents, 9.70% were high level managers, 40.30% were in mid level management positions, 24.80% were in supervisory positions and the rest 24.50% were professionals in various industries with a mean experience of 9.05 years (s.d. = 6.20). 43% of the managers were female and the mean age was 31.92 (s.d. = 7.29). The demographic characteristics of the U.S. and Turkey samples were very similar in all aspects which reduce the concerns for sample equivalency (Gelfand et al., 1995; Hofstede, 1991).

Analyses and Results

Scale validation

Collectivism Singelis and his colleagues (1995) developed a widely adopted individualism-collectivism scale. In their original conceptualization Singelis et al. (1995) and Triandis and Gelfand (1995) treated individualism and collectivism as two separate constructs with vertical-horizontal distinctions. This theoretical distinction led to development of four distinguishable constructs, namely, horizontal and vertical individualism and collectivism. The original Singelis et al. (1995) scale included a total of 32 items that measure horizontal and vertical individualism and collectivism, 8 items measuring each of the four factors. The Turkish versions of the scales have also been validated by Wasti and Erdil (2007).

Later, Triandis and Gelfand (1998) further refined and tested this scale in a non-western context, Korea. They modified this scale and developed a 16-item shorter version where each factor (e.g., horizontal collectivism) is measured by 4 items. However, vertical individualism is argued to create more confusion than refinement because it is inconsistent with the original conceptualizations of individualism and collectivism and it is overlapping with power distance orientation (Robert et al., 2000) and masculinity (Chen et al., 1997; Taras et al., 2010; Thomsen, Sidanius, & Fiske., 2007). Consistent with Hofstede's (1980) original studies and recent practices in the literature (Taras et al., 2010; 2012) I treated individualism and collectivism as opposite ends of a single continuum. Further, I included only the seven items that measure horizontal individualism from the Singelis et al. (1995) study, and excluded the vertical individualism items that were inconsistent with Hofstede's general individualism construct (1980). To measure collectivism I included ten items from the Singelis et al. (1995) that measure vertical and horizontal collectivism.

To present evidence for construct equivalency I conducted simultaneous exploratory (EFA) and confirmatory factor analysis (CFA) (Hinkin, 1998; Schwab, 1980) using maximum likelihood procedure in AMOS (Arbuckle and Wothke, 1999) with each sample separately and with both samples combined (Gelfand, Raver, & Ehrhart, 2002). The results of the EFAs of the combined sample with principal component extraction and promax rotation ($kappa=4$) provided a four-factor solution with each factor having an Eigenvalue greater than 1 and the four factors explaining 54.66% of the variance. In the U.S. and Turkey samples five factors emerged and explained 62.79% and 61.60% of the

variance respectively. The factor loadings of the Individualism-Collectivism items in the U.S. and the Turkey samples are presented in Table 4 and Table 5.

 INSERT TABLE 4 HERE

 INSERT TABLE 5 HERE

As can be seen from the results item loadings and factor structures were different in the U.S. and Turkey samples. To generate a similar factor structure and loadings across both samples I deleted the items that have high cross-loadings or do not load to their associated factors. I conducted subsequent EFAs with the remaining items and evaluate the new factor structure and loadings that has emerged as a result. I repeated this procedure until the factor structures and the item loadings were similar across both cultures as well as the combined sample. As a result of this procedure I obtained a similar 3-factor structure in both samples where three items load on each of the three factors. These three factors explained 63.24% of the variance in the combined sample and 64.60% and 63.80% of the variance in the U.S. and Turkey samples respectively. I provide the results of the EFAs with the final nine items in Table 6. These nine items were then subjected to CFA using each sample separately as well as the combined sample (see Table 7). All items significantly loaded on their associated factors in all of the analyses and the fit indices indicate that the model fits the data well in all samples.

 INSERT TABLE 6 HERE

 INSERT TABLE 7 HERE

To demonstrate measurement invariance in the Turkish and the U.S. samples I conduct configural and metric invariance tests. The configural invariance test shows that the same items are indicators of the same latent factors across cultures, meaning latent constructs manifest similarly in each culture. On the other hand, metric invariance tests whether the item loadings on the latent constructs are equivalent across cultures and whether they can be constrained to be equal across groups, indicating that the respondents attribute similar meaning to the construct (Widaman & Reise, 1997).

I first conducted a multi-group CFA and freely estimated the three factor model of collectivism model across both samples. The fit indices were high ($\chi^2/df = 1.43$, $df = 48$, CFI = .96, TLI = .95, RMSEA = .04), confirming that the factor structure of collectivism was similar across both cultures, and hence configural invariance. I then conducted a multi-group CFA to test for the metric invariance. I constrained the factor loadings to be the same across both groups and compared the result by performing a chi-square difference test on the two groups. The chi-square difference test showed that constraining factor loadings to be the same reduced the model fit ($\Delta\chi^2 = 22.00^{**}$, $df = 9$) indicating that the factor loadings for all the items are not sufficiently similar. I modified the model by removing the constraint on one of the collectivism items and freely estimated it. The fit indices of the partially invariant model was good ($\chi^2/df = 1.47$, $df = 56$, CFI = .95, TLI

= .94, RMSEA = .04) and the fit of the model was not worse ($\Delta\chi^2 = 13.80$, $df = 8$, *ns*), providing evidence for partial metric invariance.

I used the nine validated items to measure the collectivism score in this study. First, I reverse coded the horizontal individualism items. Next, I converted the collectivism and individualism item scores to a single composite score by averaging all items. Higher scores in this scale meant stronger collectivist values and lower scores indicated stronger individualist values. Sample items include “To feel proud when a coworker gets a prize”, “To do what would please one's family, even if one detests the activity”, and “Depend on myself rather than others (r)” (Triandis & Gelfand, 1998). All scales ranged from 1 (not at all important) to 7 (very important). The Cronbach’s alpha for the 9-item scale was .67 (.66 and .68 for the U.S. and Turkey samples respectively).

Inequality justification I used items from the *economic system justification* scale to measure inequality justification (Jost & Thompson, 2000; Jost & Hunyady, 2003). The original scale consists of 17 items. For the Turkey sample I adopted the Turkish versions of the items that have been validated by Goregenli (2004; 2005).

The 17 items from the original scale were subjected to the procedure described above. I conducted simultaneous EFAs and CFAs and chose the items that produced similar factor structures and loaded to their associated factors similarly across both samples. The results of the initial EFAs with each sample are presented in Table 8 and Table 9.

 INSERT TABLE 8 HERE

 INSERT TABLE 9 HERE

I excluded the items that do not directly focus on inequality (e.g., “It is virtually impossible to eliminate poverty”) and maintained the items that capture the beliefs about the legitimacy of the inequality in the economic system. Similarly, to generate a similar factor structure and loadings across both samples I deleted the items that have high cross-loadings or do not load to their associated factors. Repeating this procedure resulted in a three-factor solution with a total of ten items: *Inequality is legitimate* (five items), *equality is possible* (2 items), and *inequality is illegitimate/unfair* (3 items) (see Table 10). Next, I conducted CFAs with each sample separately and the combined sample. The final ten items significantly loaded on their associated factors in both samples and in the combined sample. The fit indices also indicate that the 3-factor model fits the data well in all samples (See Table 11).

 INSERT TABLE 10 HERE

 INSERT TABLE 11 HERE

I followed the same steps above to demonstrate the measurement invariance for inequality justification construct. The multi-group CFA indicated good fit ($\chi^2/df = 1.46$, $df = 64$, CFI = .94, TLI = .91, RMSEA = .04), providing support for configural invariance. Again, I constrained the factor loadings to be the same across both groups and

compared the result by performing a chi-square difference test. The chi-square difference test showed the constrained model had a worse fit ($\Delta\chi^2 = 20.37$, $df = 10$). Similarly, I removed the constraint on one of the items loading on the *inequality is illegitimate/unfair* factor. The partially invariant model had a good fit ($\chi^2/df = 1.47$, $df = 73$, CFI = .92, TLI = .91, RMSEA = .04) and the fit was not worse ($\Delta\chi^2 = 13.78$, $df = 9$, *ns*), providing evidence for partial metric invariance.

I used the ten validated items from the economic system justification scale (Jost & Thompson, 2000; Jost & Hunyady, 2003) to measure inequality justification in this study. Sample items include “Economic differences in the society reflect an illegitimate distribution of resources”, “Economic positions are legitimate reflections of people’s achievements”. The Cronbach’s Alpha for the final 10-item scale was .76 (.75 and .70 for the U.S. and Turkey samples respectively).

Controls I controlled for gender age, ethnicity, income, political orientation and belief in upward mobility based on the previous findings that they might influence ethical preferences and trade-offs (e.g., Hofstede, 1991; Michelbach et al., 2003; Scott et al, 2001).

Descriptive statistics. The means, standard deviations, and zero-order correlations among the independent and dependent variables and controls in the U.S., Turkey and combined samples are presented in Table 12, Table 13 and Table 14.

The zero-order correlations indicate that the individuals who are generally in more privileged higher socio-economic positions, such as men ($r = .15$, $p < .05$, $n = 286$), whites (in the U.S. sample) ($r = .30$, $p = .00$, $n = 144$), individuals with more conservative, right-wing political views ($r = .29$, $p = .00$, $n = 286$), who have higher-

income ($r = .23, p = .00, n = 286$), and those who more strongly believe in upward mobility ($r = .27, p = .00, n = 286$), have stronger belief that inequality in the system is legitimate and just. Moreover, inequality justification and collectivism was negatively correlated in the combined ($r = -.21, p = .00$) and in the U.S. sample ($r = -.26, p = .00$) but not in the Turkey sample ($r = -.09, ns$).

Society scenarios As expected, inequality justification was positively correlated with preference for *economic prosperity over rights of the disadvantaged* and *economic prosperity over social justice* in the U.S. ($r = .52, p = .00$; $r = .56, p = .00$) and Turkey samples ($r = .50, p = .00$; $r = .56, p = .00$) and when both samples are combined ($r = .48, p = .00$; $r = .63, p = .00$). It is negatively correlated with preference for rights of the *disadvantaged over privileged* in the U.S. sample ($r = -.42, p < .01$), Turkey sample ($r = -.32, p < .01$) and in the combined sample ($r = -.46, p = .00$). Moreover, it is negatively correlated with preference for *social justice over rights of the privileged* when both samples are combined ($r = -.28, p < .01$).

On the other hand, collectivism was positively correlated with *rights of the disadvantaged over privileged* (combined sample: $r = .21$) and negatively correlated with preference for *economic prosperity over social justice* ($r = -.17, p < .05$) and *economic prosperity over rights of the disadvantaged* ($r = -.18, p < .05$).

Company scenarios Inequality justification was negatively correlated with the preference for *social justice over rights of the privileged* in the U.S. sample ($r = -.40, p = .00$), Turkey sample ($r = -.36, p = .00$), and the combined sample ($r = -.41, p = .00$). It was positively correlated with preference for *economic prosperity over social justice* in the U.S. sample ($r = .38, p = .00$), Turkey sample ($r = .38, p = .00$) and when both

samples were combined ($r = .42, p = .00$). On the other hand, collectivism was positively correlated with preference for *social justice over rights of the privileged* in the combined ($r = .19, p < .05$) and Turkey sample ($r = .31, p = .01$).

 INSERT TABLE 12 HERE

 INSERT TABLE 13 HERE

 INSERT TABLE 14 HERE

Cross cultural comparison: U.S. versus Turkey. To test whether the mean differences are significant between the two cultures (H1, H4, H5 and H10) I performed independent sample t-tests. The results in Figure 3 indicate that Turkish managers have stronger collectivist values compared to their U.S. counterparts (TR = 4.62 vs. U.S. = 4.47, $t(284) = 2.04, p < .05$) whereas U.S. managers have stronger belief that inequality in the economic system is legitimate and just (TR = 3.29 vs. U.S. = 3.99, $t(284) = 6.84, p = .00$).

Supporting H1, U.S. managers preferred *economic prosperity over social justice* more strongly compared to Turkish managers (Society scenario: TR = 2.59 vs. U.S. = 3.30, $t(150) = 4.59, p = .00$; Company scenario: TR = 2.67 vs. U.S. = 3.15, $t(132) = 2.90, p < .01$), that is prefer more hierarchical distribution of economic assets compared to equal distribution patterns, both for the society and company scenario.

Moreover, supporting H4 and H5 the results suggest that Turkish managers preferred the collective welfare goal of *economic prosperity over rights of the disadvantaged* (TR = 3.36 vs. U.S. = 2.07, $t(132) = 4.37, p = .00$) and *social justice over rights of the privileged* (Society scenario: TR = 4.64 vs. U.S. = 3.68, $t(150) = 3.19, p < .01$; Company scenario: TR = 4.20 vs. U.S. = 3.31, $t(132) = 2.43, p < .05$), except the economic prosperity versus rights of the disadvantaged dilemma in the society scenario. Finally, providing support for H10, Turkish managers preferred rights of the *disadvantaged over privileged* more strongly (Society scenario: TR = 4.16 vs. U.S. = 2.95, $t(150) = 4.11, p = .00$; Company scenario: TR = 3.21 vs. U.S. = 2.07, $t(132) = 3.11, p < .01$) both in the society and company scenarios.

 INSERT FIGURE 3 HERE

Hypotheses testing with regression analyses. To more rigorously test the hypotheses 1 through 9 I conducted hierarchical regression analyses with each ethical dilemma as the dependent variable using the combined sample (U.S. + Turkey). I entered control variables in step 1, followed by nationality in step 2 and individual scores of collectivism and inequality justification in step 3 and step 4.

Moreover, I created nationality by collectivism and nationality by inequality justification interaction terms and entered them to the model after step 4 in separate regression models to test their effect. For the interaction effects I mean centered collectivism and inequality justification and created a nationality by collectivism and nationality by inequality justification interaction terms (Aiken and West, 1991). The objective here was to test whether the effect of individual values on ethical dilemma

resolutions in the combined sample can be replicated in the U.S. and Turkey samples separately. While I don't hypothesize about interaction between inequality justification and collectivism, I also report the results of these auxiliary analyses. The significant moderating effect of nationality would indicate that the effect of collectivism and inequality justification on ethical dilemma resolution is different across the two countries. I also run the same regression analyses in the U.S. and Turkey samples separately and report the findings below.

To test the mediation hypotheses 13 and 14 I performed separate regressions in AMOS by using the bootstrapping technique with each dilemma as the dependent variable (Preacher and Hayes, 2008). The results reported here are based on regression analysis with 95% bias corrected bootstrap confidence based on 5000 bootstrap samples. All controls are included in the analyses.

Economic prosperity vs. social justice (H1, H2 and H3)

Society scenario I followed the exact procedure as described above. When all controls were entered in step1, income had a significant positive effect ($b = .14, t = 3.44, p < .01$) indicating that managers who have higher income are more likely to prefer a distribution that provides higher average income even though it leads to more inequality. Supporting H1 which stated the U.S. managers will prefer economic prosperity over social justice, nationality had a significant positive effect ($b = .60, t = 3.20, p < .01$) when entered in step2. To test H2 and H3 I entered the individual scores of collectivism and inequality justification in step3 and step 4. Partially supporting H2, when collectivism is entered individually it had a marginally significant negative impact ($b = -.23, p < .10$). However, when inequality justification is added to the model this effect was no more

significant, not providing support for H2. On the other hand, inequality justification had a significant positive impact ($b = .66, t = 7.39, p = .00$) when all other variables were in the model, supporting H3.

Neither nationality by collectivism interaction effect ($b = .22, t = 1.03, ns$) nor nationality by inequality justification effect was significant ($b = -.01, t = -.09, ns$) indicating that the effect of collectivism and inequality justification does not significantly differ in the U.S. and Turkey samples. The collectivism by inequality justification interaction was also not significant. Subsequent analysis in each sample separately provided very similar results and presented in Table 15.

 INSERT TABLE 15 HERE

The results of the mediation analyses in Amos indicated that nationality had a significant positive effect on inequality justification ($b = .87, p = .00$), but no significant effect on collectivism ($b = -.12, ns$). These results are the same for the sample that have responded to the society scenarios and therefore omitted in the subsequent mediation analysis reports. The insignificant effect of nationality on collectivism indicates that there is no significant difference in collectivism across the U.S. and Turkey samples that have responded to the *society scenarios*. Moreover, inequality justification had a significant positive effect on preference for *economic prosperity over social justice* ($b = .66, p = .00$) where as collectivism did not ($b = .02, ns$). Moreover, nationality had a positive significant *indirect effect* on *economic prosperity over social justice* through inequality

justification ($b = .57, p = .00, .36$ to $.85$), supporting H14 but providing no support for H13.

Company scenario I entered all controls in step1 and similar to the case in the society scenario income had a significant positive effect ($b = .16, t = 4.23, p < .01$). Moreover, political orientation had a significant negative impact ($b = -.20, t = -2.44, p < .05$) indicating that right wing political view is associated with the preference for economic prosperity over social justice. Lending no support for H1, when nationality is entered the effect did not reach significance ($b = .26, t = 1.50, ns$). When inequality justification and collectivism were added to the model the effect of collectivism was not significant ($b = -.06, t = -.90, ns$) providing no support for H2, whereas inequality justification had significant positive effect ($b = .31, t = 3.42, p < .01$), supporting H3.

Neither the nationality by inequality justification interaction effect ($b = -.14, t = -.80, ns$) nor the nationality by collectivism effect was significant ($b = .28, t = .97, ns$), indicating that the effect of collectivism does not significantly differ in the U.S. and Turkey samples. The collectivism by inequality justification interaction was also not significant. Subsequent analysis in each sample separately provided very similar results and presented in Table 16.

 INSERT TABLE 16 HERE

Based on the mediation analysis nationality had a significant positive effect on inequality justification ($b = .50, p = .00$), and a significant negative effect on collectivism ($b = -.23, p < .05$). Therefore, the U.S. and Turkey samples that have responded to the

company scenarios were significantly different in terms of collectivism and inequality justification. Furthermore, inequality justification had a significant positive effect on preference for *economic prosperity over social justice* ($b = .31, p = .00$) where as collectivism did not ($b = -.06, ns$). Moreover, nationality had a positive significant *indirect effect* on preference for *economic prosperity over social justice* through inequality justification ($b = .17, p = .00, .05$ to $.36$), supporting H14 but providing no support for H13.

Economic prosperity vs. rights of the disadvantaged (H4, H6 and H8)

Society scenario When all controls are entered in Step 1 the only significant predictor was political orientation ($b = -.23, t = -2.53, p < .05$), suggesting that managers with right wing political views are more likely to prefer economic prosperity over rights of the disadvantaged. Nationality was not significant ($b = .08, t = .37, ns$) when entered in step 2, providing no support for H4. When collectivism entered by itself it had a significant negative impact ($b = -.37, t = -2.69, p = .01$), providing preliminary support for H6. However, when inequality justification was entered the effect of collectivism was no longer significant, lending no support for H6. On the other hand, inequality justification had a significant positive impact ($b = .62, t = 5.69, p = .00$), indicating managers who have stronger belief that inequality is just are more likely to prefer economic prosperity over rights of the disadvantaged, supporting H8.

Neither the interaction of nationality and collectivism ($b = -.37, t = 1.42, ns$) nor nationality and inequality justification ($b = -.02, t = .10, ns$) was significant, indicating the findings do not differ in the U.S. and Turkey samples. The collectivism by inequality justification interaction was also not significant. Subsequent analysis in the U.S. and

Turkey samples separately showed that the results are very similar. The findings are presented in Table 17.

 INSERT TABLE 17 HERE

The results of the mediation analysis showed inequality justification had a significant positive effect on preference for *economic prosperity over rights of the disadvantaged* ($b = .62, p = .00$) and nationality had a positive significant *indirect effect* on preference for *economic prosperity over rights of the disadvantaged* through inequality justification ($b = .56, p = .00, .31$ to $.88$), supporting H14. However, collectivism did not have a significant effect on preference for *economic prosperity over rights of the disadvantaged*, lending no support for H13.

Company scenario When all controls are entered gender was the only significant predictor ($b = .74, t = 2.26, p < .05$) suggesting men are more likely to prefer economic prosperity over rights. When nationality is entered it was significant over and beyond all controls ($b = -1.15, t = -3.48, p < .01$) indicating that Turkish managers are more likely to prefer *economic prosperity over rights of the disadvantaged*, supporting H4 at the company level. However, this cross-cultural difference was not explained by the differences in collectivism and inequality justification as they were not significant when entered in step 3 and step 4, providing no support for H6 and H8.

Similarly, neither the interaction of nationality and collectivism ($b = -.35, t = -.65, ns$) nor nationality and inequality justification ($b = .3, t = 1.03, ns$) reached significance, indicating the findings do not differ in the U.S. and Turkey samples. Additionally, the

collectivism by inequality justification interaction was not significant. Subsequent analysis in the U.S. and Turkey samples separately provided very similar results and presented in Table 18.

 INSERT TABLE 18 HERE

The results of the mediation analyses in Amos indicated that nationality had a significant negative effect on *economic prosperity over rights of the disadvantaged* ($b = -.34, p < .01$). However, neither inequality justification nor collectivism significantly predicted preference for *economic prosperity over rights of the disadvantaged*. Furthermore, nationality did not have a significant *indirect effect*, providing no support for H13 and H14.

Social justice vs. rights of the privileged (H5, H7 and H9)

Society scenario When all controls were entered in Step1 age was marginally and positively significant ($b = .08, t = 1.75, p < .10$) whereas income had significant negative impact ($b = -.19, t = -2.40, p < .05$) indicating that managers who have higher income and who are younger prefer privileged rights over social justice. However, when nationality is entered in step2, it was the only significant predictor ($b = -.99, t = -2.75, p < .01$) indicating that Turkish managers *prefer social justice over rights of the privileged* more strongly compared to their U.S. counterparts, supporting H5. When collectivism and inequality justification were entered in step 3 and step 4, collectivism did not have a significant impact ($b = -.02, ns$), lending no support for H7, whereas inequality

justification had a marginally significant negative impact ($b = -.37, t = -1.80, p < .10$), partially supporting H9.

Neither the nationality by collectivism interaction effect ($b = .00, t = .01, ns$) nor the nationality by inequality justification interaction effect ($b = -.18, t = -.47, ns$) was significant when entered in the last step, indicating that the effect of collectivism and inequality justification does not differ in the U.S. and Turkey samples. Subsequent analysis in the U.S. and Turkey samples separately, however, showed that the collectivism by inequality justification the interaction term had a negative and significant effect ($b = -1.38, t = -2.54, p < .05$). The results presented in Table 19.

 INSERT TABLE 19 HERE

Mediation analyses showed that neither inequality justification nor collectivism had a significant direct effect on preference for *social justice over rights of the privileged*. However, replicating the previous tests nationality had a significant positive effect on inequality justification ($b = .87, p = .00$) and marginally significant negative *indirect effect* on preference for *social justice over rights of the privileged* through inequality justification ($b = -.32, p < .10, -.75$ to $.05$), supporting H14 while not supporting H13.

Company scenario When entered in step1, neither the control variables nor nationality in step2 was significant ($b = -.68, t = -1.64, ns$), which does not support H5. As expected, in step3, collectivism had a significant positive effect when entered on its own ($b = .64, t = 1.99, p < .05$). However, this effect was only marginal when inequality justification was added to the model ($b = .54, t = 1.68, p < .10$). On the other hand,

inequality justification had a significant negative impact ($b = -.86, t = -4.03, p = .00$).

These results indicate that the stronger the managers' collectivism and the weaker their belief that inequality is just the more likely they prefer social justice over privileged rights, partially supporting H7 and supporting H9.

The nationality by inequality justification effect was not significant ($b = -.18, t = -.44, ns$). The collectivism by inequality justification interaction was also not significant. However, the nationality by collectivism interaction effect was at the marginal significance level ($b = -1.03, t = -1.65, p = .10$), indicating that the effect of collectivism might significantly differ in the U.S. and Turkey samples. Subsequent testing of the same hypothesis in the each nation sample separately showed that collectivism had no significant effect ($b = .25, t = .56, ns$) in the U.S. sample but significant positive effect ($b = 1.26, t = 2.52, p < .05$) in the Turkey sample, when inequality justification and all other controls were in the model. The results showed that collectivism is positively associated with preference for social justice over rights of the privileged, supporting H7 in the Turkey sample. The results are presented in Table 20.

 INSERT TABLE 20 HERE

Based on the mediation analyses in Amos inequality justification had a significant negative effect on preference for *social justice over rights of the privileged* ($b = -.86, p = .00$) collectivism had a marginally significant positive effect on preference for *social justice over rights of the privileged* ($b = .54, p < .10$). Furthermore, nationality had a positive significant *indirect effect* on preference for *social justice over rights of the*

privileged through inequality justification and collectivism ($b = -.56, p = .00, -.99$ to $-.25$), supporting H13 and H14.

Rights of the disadvantaged vs. the privileged (H10, H11 and H12)

Society scenario Income had significant negative impact in the first step ($b = -.18, t = -2.30, p < .05$) indicating that as the income of the managers increase they are more likely to prefer privileged rights over rights of the disadvantaged. Supporting H10, when nationality is entered to the model in step 2 it had a significant negative impact ($b = -1.23, t = -3.47, p = .00$) indicating that U.S. participants are more likely to prefer rights of the privileged rights over the disadvantaged compared to their Turkish counterparts. Collectivism had a significant effect when entered in step3 ($b = .51, t = 2.21, p < .05$). However, this effect was no more significant when inequality justification was added to the model. On the other hand, inequality justification had a significant negative effect ($b = -.81, t = -4.35, p = .00$) indicating that the stronger the managers' belief that inequality is just the more likely they prefer rights of the privileged over the disadvantaged. Thus, H12 is supported while H11 is not.

Neither nationality by collectivism interaction effect ($b = -.45, t = -1.02, ns$) nor the nationality by inequality justification effect was significant ($b = -.14, t = -.41, ns$), thus the effect of collectivism and inequality justification does not significantly differ in the U.S. and Turkey samples in the society scenario. The collectivism by inequality justification interaction was also not significant. Subsequent testing of the same hypothesis in the each sample separately showed that collectivism had no significant effect ($b = .00, t = .00, ns$) in the U.S. sample but marginally significant positive effect ($b = .50, t = 1.68, p < .10$) in the Turkey sample, when inequality justification and all

controls were in the model. The results showed that collectivism has marginally significant positive association with preference for rights of the disadvantaged over privileged, partially supporting H11 only in the Turkey sample. The results are presented in Table 21.

 INSERT TABLE 21 HERE

Mediation analyses showed that inequality justification had a significant negative effect on preference for *rights of the disadvantaged over the privileged* ($b = -.81, p = .00$) where as collectivism did not ($b = .20, ns$). Moreover, nationality had a significant negative *indirect effect* on preference for *rights of the disadvantaged over the privileged* through inequality justification ($b = -.73, p = .00, -1.13$ to $-.42$), supporting H14 but providing no support for H13.

Company scenario Income had significant negative impact in the first step ($b = -.25, t = -2.72, p < .05$). Supporting H10, when nationality is entered to the model in step 2 it had a significant negative impact ($b = -1.00, t = -2.44, p < .05$) indicating that U.S. managers are more likely to prefer rights of the privileged over the disadvantaged compared to their Turkish counterparts. When entered in step3, collectivism had a marginally significant positive effect ($b = .57, t = 1.77, p < .10$) and this effect remained marginally significant ($b = .55, t = 1.70, p < .10$) when inequality justification was added to the model. Inequality justification, on the other hand, did not have a significant effect ($b = -.17, t = -.75, ns$). These results partially supported H11 but provided no support for H12.

Neither the nationality by collectivism interaction effect ($b = -.07, t = -.23, ns$) nor the nationality by inequality justification effect was significant ($b = .62, t = 1.47, ns$) indicating that the effect of collectivism and inequality justification does not significantly differ in the U.S. and Turkey samples. Additionally, the collectivism by inequality justification interaction was also not significant. Subsequent analysis in the U.S. and Turkey samples separately provided very similar results and presented in Table 22.

 INSERT TABLE 22 HERE

The results of the mediation analyses in Amos showed that collectivism has a marginally significant effect ($b = .55, t = 1.70, p < .10$) on preference for *rights of the disadvantaged over privileged* whereas inequality justification did not ($b = .55, t = -.75, ns$). The indirect effect of nationality was, however, not significant ($b = -.21, ns$), providing no support for H13 or H14.

Summary of the results are presented in Table 23 below. The revised model based on the results is also shown in Figure 4 below.

 INSERT TABLE 23 HERE

 INSERT FIGURE 4 HERE

DISCUSSION

The major objective of this study was to test the effects of nationality and cultural values and beliefs, specifically collectivism and belief that inequality is just, on decisions that involve ethical trade-offs. The ethical dilemmas developed and used in this study required decisions that involve allocation of privileges, benefits and burdens at the collective level. They also required considering the different effects of these choices on the privileged and the disadvantaged members. Data collected from 286 MBA and Master's students in the U.S. and Turkey generally supported the hypotheses that nationality, collectivism, and inequality justification are associated with the ethical trade-offs individuals are willing to make. It demonstrated both cross-cultural and within-cultural differences in ethical preferences. Specifically, I found that nationality, collectivism, and justification of inequality are associated with different weights accorded to ethical goals of prosperity, justice, and rights when resolving organizational and societal dilemmas. These effects were significant beyond individuals' socio-economic status, belief in upward mobility and other demographic variables. Moreover, the results showed that the effect of nationality on ethical decisions was at least partially mediated through individual values and beliefs where collectivism and inequality justification had significant effects on ethical preferences.

Replicating the findings in the literature, participants from Turkey showed stronger collectivist values when compared to U.S. participants (Hofstede, 1980; Oyserman et al., 2002). However, only the Turkey sample demonstrated a significant association between collectivism and preferring social justice and rights of the disadvantaged over rights of the privileged. This finding is consistent with earlier

research which demonstrates that collectivism has a greater effect on individual behaviors in collectivistic cultures (Bontempo & Rivero, 1992; Fishbein & Ajzen, 1975). Chen et al. (1998) also seem to confirm this argument. They find that collectivism has a greater effect on the egalitarian versus differential allocation preferences in the Hong Kong sample but not in the U.S. sample. Another possible explanation could be that participants interpreted and responded to the collectivism scale items differently. The “*distinction between ‘values as the desired’ and ‘values as the desirable’: what people actually and personally desire versus what they think they ought to desire*” made by Hofstede can be useful here (2006: p. 886). Despite the significant difference of the collectivism score between the U.S. and Turkey samples, the rather high collectivism score of U.S. participants might indeed reflect what participants think they should desire, in addition to what they actually desire. This indicates a possible social desirability concern on part of the U.S. participants given the U.S.’s characterization as a prototypical individualistic culture (Hofstede, 1980; 1991; Triandis et al., 1988). For these participants societal and institutional norms might have a stronger influence on ethical preferences than their individual values. Alternatively, beyond social impression management concerns, Americans may truly find collectivism desirable because it lacks in American society. Nevertheless, results indicate that nationality influences how individuals resolve ethical dilemmas while also functioning as a moderator that determines the strength of the effect of collectivism on individuals’ ethical preferences.

The results also showed that U.S. managers have stronger belief that inequality in their economic system is just. This might sound contradictory at first, particularly when findings about power distance orientation, a similar concept in Hofstede’s culture model

(1991), is considered. Power distance orientation is defined as the acceptance of unequal distribution of power by less powerful members (Hofstede 1991; p.28) and the U.S. scores relatively low on power distance, whereas Turkey is generally characterized as a high power distance culture (Hofstede, 1980; Schwartz, 1994). However, this can be explained by the inconsistency between power distance measures and the definition of the construct. While power distance is seen as a “kindred concept” to inequality justification (Jost & Hunyady, 2003: 12), the associated scale of power distance measures the extent to which employees in lower positions prefer providing input to decision making. On the other hand, inequality justification scale measures the evaluation of economic inequalities in terms of legitimacy and fairness (Jost & Thompson, 2000), which is more consistent with the original definition of power distance orientation. Based on the distinction between power distance orientation and inequality justification, and the findings in the literature and in this study, it can be argued that although economic inequality in the U.S. is evaluated to be fair and just by many, social-political inequality, such as inequality in the decision-making processes in democratic institutions, is not favored (Chen, 1995). On the other hand, the fairness and legitimacy of economic inequalities are questioned and challenged in the Turkish context, but those in power are expected to make decisions mostly on their own.

In this study cultural values and beliefs influenced which distributive principle (e.g., equality, efficiency, rights) is prioritized in a dilemma. The study by Cullen et al (2004) finds that justification of ethically suspect behaviors is determined by both cultural values and institutional norms. Therefore, an individual’s preference for distribution patterns can be influenced by their trust in economic institutions, in addition

to his or her values, given that economic institutions govern the distribution and redistribution of wealth, income, opportunities and other valuable resources (Cullen et al., 2004; Jost et al., 2004; Nozick, 1974; Pratto et al., 2006). If institutions are perceived to be just, and if their operations are considered legitimate, then distribution of valuable resources would also be considered fair and legitimate because a fair process is likely to lead to a fair allocation (Cullen et al., 2004; Jost et al., 2004; Nozick, 1974; Pratto et al., 2006). This line of argument suggests that situational factors, such as existing structures and institutions as well as the goals induced by them, will determine the choices of individuals, sometimes even more so than an individual's own values and beliefs (Chen, 1995; Cullen et al., 2004). Although the measure of inequality justification used in this study does not directly capture trust in institutions, it does capture the *belief* that these institutions are legitimate and fair (e.g., "Economic positions are legitimate reflections of people's achievements," "Most people who don't get ahead in our society should not blame the system; they have only themselves to blame") as well as the belief that resulting inequality is just. Therefore, this study sheds light on how stronger trust in the system and its institutions in the U.S. sample, in addition to their values, might have led to preference for more hierarchical distribution patterns and acceptance of more disparity between the privileged and the disadvantaged.

In terms of ethical dilemma resolutions, Turkish participants preferred *social justice over economic prosperity* to a greater degree compared to the U.S. participants at the societal level but not at the organizational level. Turkish participants also preferred *rights of the disadvantaged over rights of the privileged*, both at the societal and company level. These findings, again, do not demonstrate that U.S. participants *prefer* more

hierarchy in their economic institutions between the privileged and disadvantaged but rather indicate that U.S. participants *believe* that existing hierarchies and inequalities are a result of freedom and liberty exercised in the economic domains of life. Therefore, the final distribution pattern, no matter the degree of inequality, is just and legitimate (Nozick, 1974). Moreover, Turkish participants preferred *economic prosperity over rights of the disadvantaged* to a greater degree at the organizational level but no significant differences are found in the societal dilemma. Given the economic development level of Turkey, and the relatively low absolute poverty level of the masses, this seems to make sense. Subsistence rights of disadvantaged citizens are not subject to further violation for the sake of national economic development. However, acceptance of low-wage and insecure jobs is still the only option for the survival of the majority of employees and their families who do not have much power to negotiate their terms of employment. Another key difference is that Turkish participants preferred *social justice over rights of the privileged* more strongly than U.S. participants. Given that economic inequalities are not considered legitimate, the privileged members are not believed to be entitled to their belongings and thus their right to property is subject to violations to a greater degree. Moreover, stronger collectivist values in the Turkey sample also explain this finding because collectivists expect higher generosity and benevolence from high status individuals in society and in organizations.

In terms of within cultural differences, the analysis of the data showed positive correlations between inequality justification and the demographic variables measured in this study. Specifically, individuals who are in more privileged socio-economic positions - men; whites (in the U.S. sample); individuals with more conservative, right-wing

political views who have a higher-income; and those who more strongly believe in upward mobility - appeared to have stronger belief that inequality in the system is legitimate and just. These findings are in contrast with the “paradoxical” findings by Jost et al. (2003) who found, overall, that the people who suffer most from their disadvantaged positions are more likely to believe that inequality in the system is just and less likely to challenge the existing status quo. However, this can be explained in two ways. First, it is a robust finding in the literature that attitudes toward inequality are based on the social-structural position of individuals and their social groups. Moreover, those in high-status groups maintain hierarchy-enhancing myths which favor inequality and justify policies that help them maintain or enhance their privileged positions in the hierarchical social structures (e.g., Schmitt, Branscombe, & Kappen, 2003; Sidanius & Pratto, 2003). Second, although socio-economic and socio-structural positions of the individuals did not appear as strong predictors of policy choices in this study there was significant within-group variation in the belief that inequality-is-just, and this predicted their policy choices. Even though the variance in terms of socio-economic status was limited in the sample those in relatively privileged positions still hold stronger belief that inequality is just and preferred social policies that maintain or enhance inequality. These findings indicate that making predictions purely based on socio-economic positions seems to be unsatisfactory in explaining different ethical choices individuals make. It paints an incomplete picture about human choice with regards to hierarchical structures.

On the other hand, the correlation between collectivism and inequality justification was negative and significant in the combined sample and the U.S. sample but not in the Turkey sample, indicating that the stronger the collectivist values, the less

likely a person is to justify inequality. The high positive correlation that has been reported in the literature (Hofstede, 1980; Singelis et al., 1995) between collectivism and power distance orientation was not a concern for this study. However, the findings suggest a more refined measure consistent with the original definition of power distance is needed. The findings based on existing measures cannot be generalized to the fairness and legitimacy evaluations of economic inequalities in societies and organizations.

With regard to individual values and beliefs explaining ethical differences, I found that belief that *inequality is just* is positively associated with preference for *economic prosperity over social justice* and *rights of the privileged over social justice*, both at the societal and company level in the U.S and Turkey samples. Furthermore, belief that *inequality-is-just* was positively associated with preference for *economic prosperity over rights of the disadvantaged* and *negatively associated with preference for rights of the disadvantaged over the privileged* at the societal level, beyond nationality and other control variables. The effect of collectivism on ethical trade-offs was not as strong as the effect of inequality justification. Significant results for collectivism were obtained only in the Turkey sample or when the samples were combined. Overall, people who hold stronger collectivist values preferred *social justice over rights of the privileged*. Moreover, collectivism marginally predicted the preference for *rights of the disadvantaged over the privileged* beyond nationality and other demographic variables.

Finally, nationality, overall, was associated with resolution of ethical dilemmas, beyond the participants' age, gender, work experience, organizational position, income, political orientation, and belief in upward mobility. The effect of nationality on ethical

dilemma resolutions is at least partially mediated by individual values and beliefs, particularly by inequality justification.

PRACTICAL IMPLICATIONS

This study is among the few that aim to explore the relative importance of economic prosperity, social justice and individual rights across and within cultures. The findings have practical implications for economic and compensation policy makers. When managers prioritize economic performance and implement hierarchical pay distributions to increase individual competition and performance, some employees may become concerned about fairness in the compensation systems. Even though pay dispersion based on pay-for-performance might increase equity perceptions initially, this effect is likely to diminish as inequality increases and it is likely to result in perceptions of unfairness. The negative effect of dispersion would be further amplified in cultural contexts like Turkey. Therefore, managers should not only be concerned about the average pay of the employees in their organizations and departments but should also acknowledge that pay dispersion and how it is perceived have significant impacts on employee and organizational outcomes. Moreover, managers should not expect to receive the same results from the hierarchical versus egalitarian compensation systems in business units across different cultures, and across different work groups and departments within the same organization, considering the diversity in national backgrounds and beliefs about inequality.

Findings about the priority given to efficiency versus equality at the societal level indicate that economic inequalities are perceived differently in Turkey than in the U.S. Increased perceptions that inequality in the system is unjust is likely to lead to conflict,

tension, and polarization between the privileged and disadvantaged groups. It is likely to impact social harmony and the national economy. Economic policy makers should be concerned about how economic inequality is perceived in their own society to understand its effects and should not be misguided by only comparing the level of inequality in their society with others. For instance, the level of economic inequality in Turkey and the U.S. is at similar levels, yet the existing inequality is believed to be more unfair and illegitimate in Turkey compared to the U.S. Discontent with the system, therefore, is not only based on the inequality level but also on whether existing inequalities are perceived to be legitimate and fair. When economic institutions are not just, the resulting distribution patterns will be considered unfair, especially by those who receive disproportionate amounts of burdens and unfavorable outcomes.

The finding that individual rights are more strongly protected against the collective by American managers indicates that policies that might infringe on individual rights, even when it serves societal or organizational wellbeing, are less likely to be tolerated in the U.S. The tendency to protect rights was even stronger in the U.S. when it served protecting the economic interests of privileged members. Therefore, managers should be aware of the intolerance towards infringements on the rights of the employees for organizational goals in the U.S. context. In the Turkish context, however, sacrificing the economic rights of the employees, such as delaying wages for the low-level employees and cutting the bonus for the top earners, seem to be more justifiable as long as it serves the collective interests or the interests of the disadvantaged. Therefore, the human resource practices should be adjusted based on what is acceptable and appropriate in different cultural contexts.

LIMITATIONS AND FUTURE DIRECTIONS

Although the findings provide insights regarding the cross-cultural and within cultural differences in ethical preferences as well as the effect of individual values and beliefs in ethical priorities, it is not without limitations. The U.S. and Turkey samples have very similar demographics, which provides confidence in terms of cross-cultural sample equivalency (Gelfand et al., 2002). However, given that the participants are all MBA or Master's students and work in managerial positions in various companies, it can be argued that they represent only the upper socio-economic class in each society. Consistently, the income, managerial positions and other demographic variables were rather weak in terms of predicting ethical preferences. The results suggest that future studies should take into account value differences in addition to the socio-economic position of the participants when investigating ethical choices.

Although the findings demonstrate cross-cultural differences in terms of ethical preferences, it is worth noting here that generalizing the findings to the societal level based on the samples in this study has to be carefully considered due to "reverse ecological fallacy" concerns (Hoftsedde, 2001; Peterson & Castro, 2006). That is, because the relationships between the variables found here were at the individual level, they may not apply at the societal level, and therefore, interpretations and conclusions of cross-cultural differences based on national borders should be made with caution. Individual level differences show that within culture heterogeneity should also be taken seriously in cross-cultural studies. Nevertheless, because the scores of collectivism and inequality justification were significantly different in the U.S. and Turkey samples, it can be argued that they represent two culturally different groups (Gully et al, 2003).

Another limitation is related to the scenario methodology adopted in the study. The possible conflicts between economic prosperity, social justice, and individual rights were presented as a zero-sum situation in the scenarios to measure ethical trade-offs. However, the empirical findings in the literature indicate, as discussed earlier, that there are no inherently unavoidable conflicts between ethical goals. For example, hierarchical as well as egalitarian economic and compensation systems have been found to increase aggregate level efficiency and growth in different contexts (e.g., Bloom, 1999; Siegel & Hambrick, 2005; Thorbecke & Charumilind, 2002). Therefore, this study does not claim that the ethical goals of economic prosperity, social justice and individual rights are always, by their nature, in conflict but rather it investigates the relative importance accorded to these ethical goals and principles when they are in conflict. Moreover, the rights that have been measured by the scenarios were mainly economic rights, such as the right to subsistence and the right to property, except in one of the scenarios where the right violation was about mandatory service. Therefore, the findings in this study mainly explore the priority given to rights that protect the economic interests of individuals and does not apply to other types of rights, such as civil and political rights.

Another issue to be addressed is the between subjects design in this study and some of the inconsistent findings in societal versus company scenarios. Economic prosperity, justice and rights are argued to be desirable and legitimate goals for societies (e.g., Nozick, 1974; Rawls, 1971; Okun, 1975) and for organizations (e.g., Keeley, 1978; 1984). However, determining which goals are more important for organizations may depend on what individuals think should be prioritized in the business context. For instance, a long stream of research emphasizes the impact of task environment (e.g.,

Burns & Stalker, 1961; Lawrence & Lorsch, 1967; Thompson, 1967) on the “strategic choices” of managers in determining the hierarchical quality of their organization’s structure (Child, 1972). Hickson et al., (1974) show that, regardless of cultural differences, the relationship between task environment and organizational structure is stable across cultures. Similarly, Hinings et al., (1971) show how that when actors cope with uncertainty in the environment they are given more power in the organization. Intraorganizational power allocations and hierarchical organizational structures are therefore based on the importance of the employees for organizational survival. Chen (1995) has demonstrated that differential rules of allocation are preferred when economic productivity is the priority for the organization, but egalitarian rules are preferred when organizational priority is social harmony. Based on these findings, it can be argued that individuals’ ethical preferences in the company dilemmas could be more strongly determined by their views about which goals, norms, and structures are vital for organizational survival and stability than by their cultural values and beliefs. Moreover, their views about the centrality and importance of different goals, norms, and structures can be different for societies and organizations. Unfortunately, participants in this study responded either to the society or company scenarios due to the length of the scenarios. As a result, the data does not allow me to elaborate further on the different assumptions and beliefs individuals might have regarding what types of structures are advantageous in societies versus in organizations and whose rights should be prioritized. Future studies can explore the context in which these ethical dilemmas occur in order to explore how the situation affects ethical preferences.

To demonstrate the requirement of construct equivalency in cross-cultural studies, the items in the inequality justification and collectivism scales that do not contribute to a similar factor structure across both samples were removed from the scales. Although the final scale scores had high correlations with scores that would be obtained if all items were included, and this procedure provided confidence when comparing the results of the U.S. and Turkey samples, including more items would capture the values and beliefs with fuller complexity and breadth. However, this was a trade-off required in this study to increase the validity of cross-cultural comparisons. Future studies can consider including additional items to measure cultural values and beliefs considering the construct equivalency requirement.

Finally, individual values and beliefs, as well as the scenarios, were answered by the same participants. Due to limited access to participants in the data collection process, participants initially indicated their ethical trade-off preferences in the scenarios and then filled out the surveys that measure cultural values and beliefs and demographics. Future studies could collect the data at two different points in time to suppress the artificial correlations that can occur due to same source bias.

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APPENDIX

Tables

Table 1

Ethical dilemmas

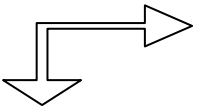


		COLLECTIVE WELFARE	
		Economic prosperity	Social justice
INDIVIDUAL RIGHTS	Rights of the privileged		
	Rights of the disadvantaged		

Table 2
Results of scenario pretest: Is there a dilemma in this scenario?

	Agree	Disagree	Neither
EP vs. SJ (s) <i>n</i> = 101	69%	17%	15%
EP vs. SJ (c) <i>n</i> = 47	60%	15%	25%
EP vs. DsR (s) <i>n</i> = 47	64%	25%	13%
EP vs. DsR (c) <i>n</i> = 97	71%	17%	11%
SJ vs. PrR (s) <i>n</i> = 47	58%	17%	25%
SJ vs. PrR (c) <i>n</i> = 96	65%	19%	17%
PrR vs DsR (s) <i>n</i> = 100	76%	15%	9%
PrR vs DsR (c) <i>n</i> = 47	70%	9%	21%

^a Abbreviations: EP - Economic prosperity, SJ - Social justice, DsR – Disadvantaged rights, PrR: privileged rights

(s) - Society scenario; (c) - Company scenario

Table 3
Results of comprehension check question: What is the dilemma in this scenario?

EP vs. SJ (s) <i>n</i> = 63	Income inequality / harmony and average income/prosperity / efficiency 48%	Average income and poverty 17%	Incentives / higher income and poverty 6%	No dilemma 19%	Other 10%
EP vs. DsR (c) <i>n</i> = 63	Delaying wages and faster recovery 68%	Company well- being/productivity and employee well-being / interests 11%	Late wages / employee financial burden 6%	No dilemma 11%	Other 3%
SJ vs. PrR (c) <i>n</i> = 48	Cut from the highest earners for fairness / equality / harmony 54%	Honoring contracts/violating rights and solidarity / harmony 15%	Cut 6% or lower 10%	No dilemma 15%	Other 6%
PrR vs DsR (s) <i>n</i> = 68	Tax wealthy to aid victims 59%	Property right of the wealthy and victims' survival rights 16%	Tax unaffected healthy to share burden equally 13%	No dilemma 4%	Other 7%

^a Abbreviations: EP - Economic prosperity, SJ - Social justice, DsR – Disadvantaged rights, PrR: privileged rights
(s) - Society scenario; (c) - Company scenario

Table 4
Initial EFA results with all collectivism items: U.S. sample^a

Items	Factor loadings ^b		
COL7 - Take care of one's family, even when one has to sacrifice what he/she wants	.83		
COL8 - Stick together with the family members, no matter what sacrifices are required.	.82		
COL5 - Parents and children stay together as much as possible.	.60		
COL10 - Do what would please one's family, even if one detests the activity.	.57		.45
COL6 - Sacrifice self interest for the benefit of group.	.41		
IND2- Rely on myself most of the time and rarely rely on others.	.89		
IND1 - Depend on myself rather than others.	.73		
IND3 - Often do "my own thing".	.53		
COL1- Maintain harmony within any group that one belongs to		.70	
COL3 - Cooperate with and spend time with others.		.68	
COL2 - Do something to maintain coworkers' / classmates' wellbeing (emotionally supporting them)		.65	
COL4 - Feel proud when a coworker gets a prize		.51	
COL9 - Respect the decisions made by my group	.30	.35	
IND6 - Be unique and different from others.			.77
IND5 - Live one's life independently of others.	.31	.55	
IND4 - Maintain a personal identity, independent of others.		.55	-.40
IND7 - What happens to me is my own doing.	.31	.34	

^a Abbreviations: COL – Collectivism, IND – Individualism

^b Threshold for parameter display for the EFA analyses is above .30; $n = 144$

Table 5
Initial EFA results with all collectivism items: Turkey sample^a

Items	Factor loadings ^b		
COL8 - Stick together with the family members, no matter what sacrifices are required.	.81		.30
COL7 - Take care of one's family, even when one has to sacrifice what he/she wants	.76		
COL10 - Do what would please one's family, even if one detests the activity.	.55		
COL9 - Respect the decisions made by my group	.36		.32
IND5 - Live one's life independently of others.	.75		.45
IND6 - Be unique and different from others.	.63		
IND4 - Maintain a personal identity, independent of others.	.58	.37	
IND7 - What happens to me is my own doing.	.47		.32
IND3 - Often do "my own thing".	.38	.34	
IND1 - Depend on myself rather than others.		.76	
IND2- Rely on myself most of the time and rarely rely on others.		.72	
COL2 - Do something to maintain coworkers' / classmates' wellbeing (emotionally supporting them)			.59
COL4 - Feel proud when a coworker gets a prize			.58
COL3 - Cooperate with and spend time with others.			.51
COL6 - Sacrifice self interest for the benefit of group.			.43
COL1- Maintain harmony within any group that one belongs to			.32
COL5 - Parents and children stay together as much as possible.			.55

^a Abbreviations: COL – Collectivism, IND – Individualism

^b Threshold for parameter display for the EFA analyses is above .30; $n = 142$.

Table 6
EFA results: Final collectivism items^a

Items	Factor loadings ^b : US / TR /		
	COL_v	IND	COL_h
COL8 - Stick together with the family members, no matter what sacrifices are required.	.89 / .91 / .88		
COL7 - Take care of one's family, even when one has to sacrifice what he/she wants	.82/ .88 / .85		
COL10 - Do what would please one's family, even if one detests the activity.	.72/ .60 / .69		
IND2- Rely on myself most of the time and rarely rely on others.		.87 / .89 / .86	
IND1 - Depend on myself rather than others.		.80 / .77 / .77	
IND3 - Often do "my own thing".		.75 / .76 / .76	
COL3 - Cooperate with and spend time with others.			.79 / .79/ .80
COL4 - Feel proud when a coworker gets a prize			.78 / .79 / .78
COL2 - Do something to maintain coworkers' / classmates' wellbeing (emotionally supporting them)			.76 / .56 / .69

^a Abbreviations: COL – Collectivism, COL_v – Collectivism vertical, COL_h – Collectivism horizontal, IND – Individualism, U.S.- United States, TR - Turkey

^b Threshold for parameter display for the EFA analyses is above .30. U.S. sample: $n = 146$, TR sample: $n = 142$.

Table 7
CFA results with 3-factor model of collectivism scale^a

Model	<i>df</i>	χ^2/df	CFI	TLI	RMSEA
U.S. sample	24	1.59	.96	.93	.06
TR sample	24	1.28	.97	.96	.04
U.S. + Turkish	24	1.45	.98	.97	.04

^a TLI = Tucker-Lewis index; CFI = comparative fit index; RMSEA = root mean square error of approximation. U.S. sample: $n = 146$, TR sample: $n = 142$.

Table 8
Initial EFA results with all inequality justification items: U.S. sample^a

Items	Factor loadings ^b			
3. Laws of nature are responsible for differences in wealth in society.	.90			
9. Social class differences reflect differences in the natural order of things.	.90			
7. Most people who don't get ahead in our society should not blame the system; they have only themselves to blame.	.49			-.35
8. Equal distribution of resources is a possibility for our society. (r)		.82		
13. If people wanted to change the economic system to make things equal, they could. (r)		.71		.31
14. Equal distribution of resources is unnatural.	.41	.55		
10. Economic differences in the society reflect an illegitimate distribution of resources. (r)	-.38	.51	.35	
15. It is unfair to have an economic system which produces extreme wealth and extreme poverty at the same time. (r)		.50	.31	
4. There are many reasons to think that the economic system is unfair. (r)			.85	
6. Poor people are not essentially different from rich people. (r)			.64	.42
17. There are no inherent differences between rich and poor; it is purely a matter of the circumstances into which you are born. (r)			.59	
11. There will always be poor people, because there will never be enough jobs for everybody.				.93
5. It is virtually impossible to eliminate poverty.				.58
12. Economic positions are legitimate reflections of people's achievements			.43	.51
16. There is no point in trying to make incomes more equal.				-.31
	.31		.34	
2. The existence of widespread economic differences does not mean that they are inevitable. (r)				.84
1. If people work hard, they almost always get what they want.				-.65

^a Abbreviations: IJ – Inequality justification

^b Threshold for parameter display for the EFA analyses is above .30; $n = 144$

Table 9
Initial EFA results with all inequality justification items: Turkey sample^a

Items	Factor loadings ^b		
5. It is virtually impossible to eliminate poverty.	.92		
11. There will always be poor people, because there will never be enough jobs for everybody.	.74		
8. Equal distribution of resources is a possibility for our society. (r)	.70		
13. If people wanted to change the economic system to make things equal, they could. (r)	.61		
2. The existence of widespread economic differences does not mean that they are inevitable. (r)	.59	-.56	
1. If people work hard, they almost always get what they want.	-.37	.79	
12. Economic positions are legitimate reflections of people's achievements	.67		
7. Most people who don't get ahead in our society should not blame the system; they have only themselves to blame.	.65		
9. Social class differences reflect differences in the natural order of things.	.37	.53	
6. Poor people are not essentially different from rich people. (r)		.88	
17. There are no inherent differences between rich and poor; it is purely a matter of the circumstances into which you are born. (r)		.86	
15. It is unfair to have an economic system which produces extreme wealth and extreme poverty at the same time. (r)		.83	
10. Economic differences in the society reflect an illegitimate distribution of resources. (r)		.62	
3. Laws of nature are responsible for differences in wealth in society.	.37	.57	
4. There are many reasons to think that the economic system is unfair. (r)			.93
14. Equal distribution of resources is unnatural.	.40		.49
16. There is no point in trying to make incomes more equal.	.33		.47

^a Abbreviations: IJ – Inequality justification

^b Threshold for parameter display for the EFA analyses is above .30; $n = 144$

Table 10
EFA results: Final inequality justification items^a

Items	Factor loadings ^b : US / TR / US+TR		
	Inequality legitimate	Equality possible	Inequality illegitimate
9. Social class differences reflect differences in the natural order of things.	.85 / .64 / .80		
12. Economic positions are legitimate reflections of people's achievements	.69 / .62 / .74		
7. Most people who don't get ahead in our society should not blame the system; they have only themselves to blame.	.66 / .65 / .74		
16. There is no point in trying to make incomes more equal.	.65 / .45 / .52		
14. Equal distribution of resources is unnatural.	.55 / .57 / .58	.47 / - / -	- / - / .35
13. If people wanted to change the economic system to make things equal, they could. (r)		.83 / .40 / .78	
8. Equal distribution of resources is a possibility for our society. (r)		.80 / .94 / .87	
10. Economic differences in the society reflect an illegitimate distribution of resources. (r)			.75 / .50 / .75
17. There are no inherent differences between rich and poor; it is purely a matter of the circumstances into which you are born. (r)			.73 / .39 / .79
15. It is unfair to have an economic system which produces extreme wealth and extreme poverty at the same time. (r)			.46 / .62 / .74

^a Abbreviations: IJ – Inequality justification

^b Threshold for parameter display for the EFA analyses is above .30; $n = 144$

Table 11
CFA results with 3-factor model of inequality justification scale^a

Model	<i>df</i>	χ^2/df	CFI	TLI	RMSEA
U.S. sample	32	1.49	.94	.91	.06
TR sample	32	1.43	.93	.90	.06
U.S. + Turkish	32	2.02	.94	.91	.06

^a TLI = Tucker-Lewis index; CFI = comparative fit index; RMSEA = root mean square error of approximation. U.S. sample: $n = 146$, TR sample: $n = 142$

Table 12
Means, standard deviations, and correlations for the U.S. sample^a

Variables	Mean	s.d.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Collectivism	4.47	.64	(.66)																
2. Inequality justification	3.99	.87	-.26**	(.75)															
3. EP over SJ (s) ^b	3.30	1.02	-.19	.56**															
4. EP over SJ (c) ^b	3.15	.85	.09	.38**	.														
5. EP over DsR (s)	4.50	1.15	-.34**	.52**	.38**	.													
6. EP over DsR (c)	2.07	1.78	-.11	.15	.	.19	.												
7. SJ over PrR (s)	3.68	2.04	.07	-.22	-.41**	.	-.14	.											
8. SJ over PrR (c)	3.31	2.08	.03	-.40**	.	-.18	.	.09	.										
9. DsR over PrR (s)	2.95	2.00	.18	-.42**	-.36**	.	-.24*	.	.47**	.									
10. DsR over PrR (c)	2.07	2.09	.07	.02	.	.14	.	.30*	.	.05	.								
11. Age	32.99	7.94	-.03	-.06	.07	.00	-.04	-.15	.31**	.17	.14	-.12							
12. Gender	.58	.49	.09	.11	.08	.28*	.10	.20	-.10	-.14	.07	.14	.00						
13. Experience	10.25	6.17	-.06	-.08	.11	.04	-.02	-.21	.26*	.10	.13	-.11	.90**	.04					
14. Position	2.27	.91	.05	-.08	.12	.00	-.02	.23	.10	.10	.10	.06	.25**	.10	.27**				
15. Political view	4.05	1.31	-.01	-.37**	-.30**	-.25*	-.26*	-.11	.11	.06	.22	.06	-.12	-.12	-.11	.01			
16. Income	7.90	1.96	-.05	.24**	.27*	.39**	.08	-.14	-.19	-.14	-.08	-.20	.36**	.12	.40**	.10	-.11		
17. Upward mobility	5.74	.96	-.04	.08	-.19	.16	.02	.06	.12	-.11	.26*	.34**	-.23**	.15	-.19*	-.07	.14	.05	
18. Ethnicity	.58	.49	.18*	-.30**	-.20	-.03	-.27*	.07	.02	.01	.21	-.06	-.02	-.11	-.01	.15	.27**	-.09	-.07

^a Abbreviations: EP - Economic prosperity, SJ - Social justice, DsR – Disadvantaged rights, PrR: privileged rights

^b (s): Society scenario $n = 76$; Company scenario $n = 68$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 13
Means, standard deviations, and correlations for the Turkish sample^a

Variables	Mean	s.d.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Collectivism	4.62	.56	(.68)															
2. Inequality justification	3.29	.87	-.09	(.70)														
3. EP over SJ (s) ^b	2.59	.88	-.09	.56**														
4. EP over SJ (c) ^b	2.67	1.06	-.16	.38**	.													
5. EP over DsR (s)	4.34	1.07	.05	.50**	.43**	.												
6. EP over DsR (c)	3.36	1.63	-.04	-.05	.	.05	.											
7. SJ over PrR (s)	4.64	1.65	-.01	-.14	.07		.00	.										
8. SJ over PrR (c)	4.20	2.14	.31*	-.36**	.	-.33**	.	-.02	.									
9. DsR over PrR (s)	4.16	1.61	.20	-.32**	-.27*	.	-.21		.01	.								
10. DsR over PrR (c)	3.21	2.14	.13	-.15	.	-.19	.	.17	.	.29*	.							
11. Age	30.84	6.42	.10	-.04	-.01	.04	.01	.07	-.07	-.07	-.10	-.04						
12. Gender	.53	.50	.10	.17*	-.12	.19	.05	.11	-.09	.04	.25*	-.23	.12					
13. Experience	7.84	6.01	.13	-.01	-.03	.05	.03	.07	-.05	-.04	-.17	-.11	.90**	.13				
14. Position	2.53	.82	.03	.03	-.07	.03	.13	.05	-.05	.01	.02	-.05	.21*	.10	.12			
15. Political view	2.63	.61	-.10	-.26**	-.03	-.12	-.20	.21	.08	.06	-.02	-.07	.13	-.08	.09	-.01		
16. Income	6.19	2.26	.04	-.01	.17	.21	.11	.11	.05	.03	-.12	-.16	.41**	.07	.39**	.24**	.09	
17. Upward mobility	5.05	1.17	-.01	.27**	.03	.14	.01	-.07	.06	-.15	.05	-.11	-.20*	.18*	-.22**	.04	-.22**	-.02

^a Abbreviations: EP - Economic prosperity, SJ - Social justice, DsR – Disadvantaged rights, PrR: privileged rights

^b (s): Society scenario $n = 76$; Company scenario $n = 66$

* $p < .10$, ** $p < .05$, *** $p < .01$, **** $p < .001$

Table 14
Means, standard deviations, and correlations for the combined (U.S. + TR) sample^a

Variables	Mean	s.d.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Nationality	.50	.50																	
2. Collectivism	4.55	.61	-.12*	(.67)															
3. Inequality justification	3.64	.93	.38**	-.21**	(.76)														
4. EP over SJ (s) ^b	2.95	1.02	.35**	-.17*	.63**														
5. EP over SJ (c) ^b	2.91	.98	.25**	-.08	.42**	.													
6. EP over DsR (s)	4.42	1.11	.07	-.18*	.48**	.40**	.												
7. EP over DsR (c)	2.71	1.82	-.36**	-.02	-.05	.	.02	.											
8. SJ over PrR (s)	4.16	1.91	-.25**	.06	-.28**	-.28**	.	-.09	.										
9. SJ over PrR (c)	3.75	2.15	-.21*	.19*	-.41**	.	-.30**	.	.11	.									
10. DsR over PrR (s)	3.55	1.91	-.32**	.21**	-.46**	-.40**	.	-.24**	.	.35**	.								
11. DsR over PrR (c)	2.63	2.19	-.26**	.13	-.13	.	-.11	.	.31**	.	.21*	.							
12. Age	31.92	7.29	.15*	.01	.01	.10	.04	.00	-.09	.10	.04	-.02	-.10						
13. Gender	.56	.50	.06	.09	.15*	.04	.21*	.09	.17	-.13	-.04	.09	-.02	.06					
14. Experience	9.05	6.20	.20**	.00	.03	.14	.07	.02	-.11	.04	.01	-.09	-.13	.90**	.09				
15. Position	2.38	.88	-.12	.06	-.08	-.05	.00	.05	.15	.08	.08	.12	.02	.21**	.09	.17**			
16. Political view	.00	1.00	.00	-.05	-.29**	-.18*	-.16	-.23**	.02	.10	.05	.12	-.02	-.01	-.10	-.01	.01		
17. Income	7.05	2.28	.38**	-.05	.23**	.38**	.34**	.12	-.14	-.17*	-.12	-.21*	-.25**	.40**	.10	.43**	.11	-.01	
18. Upward mobility	5.40	1.12	.31**	-.06	.28**	.06	.21*	.04	-.10	-.01	-.18*	.02	.03	-.15**	.18**	-.13*	-.05	-.05	.12*

^a Abbreviations: EP - Economic prosperity, SJ - Social justice, DsR – Disadvantaged rights, PrR: privileged rights

^b (s): Society scenario $n = 152$; Company scenario $n = 134$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 15
Results of hierarchical regression analysis: Effect of cultural values and beliefs on
the preference of economic prosperity over social justice (s)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	-.02	-.01	-.01	.00	-.01	.00	.00	-.03	-.03	-.03	-.03	.01	.01	.04	.04
Gender	-.03	-.06	-.03	-.10	-.11	-.10	-.10	.09	.13	.12	.12	-.28	-.27	-.41*	-.38*
Experience	.02	.00	.00	.00	.00	.00	.00	.02	.02	.04	.04	-.02	-.02	-.05	-.05
Position	-.07	.00	.02	.03	.03	.03	.03	.20	.21	.20	.18	-.15	-.15	-.20*	-.19 [†]
Political view	-.14 [†]	-.14 [†]	-.16*	.05	.05	.05	.05	-.16	-.19	.11	.09	-.04	-.06	.06	.10
Income	.14*	.10*	.10*	.07*	.08*	.07*	.07*	.14*	.12 [†]	.08	.07	.10	.10 [†]	.10*	.10*
Upward mobility	.02	-.06	-.07	-.11 [†]	-.10	-.11 [†]	-.11 [†]	-.23 [†]	-.24	-.27*	-.29*	.05	.06	.00	.00
Ethnicity								-.41 [†]	-.28	-.12	-.07				
<i>Main effects</i>															
Nationality		.60**	.58**	.14	.11	.14	.14								
Collectivism (COL)			-.23 [†]	.02	-.10	.02	.02		-.23	.10	.08		-.18	-.08	-.09
Inequality justification (IJ)				.66***	.67***	.66***	.66***			.70***	.75***			.70***	.71***
<i>Interaction</i>															
Nationality x COL					.22										
Nationality x IJ						-.01									
IJ x COL							-.01				-.16				.09
ΔR^2		.06**	.02 [†]	.22***	.01	.00			.02	.19***	.01		.01	.36***	.00
R^2	.13**	.19	.21	.43	.44	.43		.22*	.23	.42	.43	.08	.09	.45	.45
<i>df</i>	7, 144	8, 143	9, 142	10, 141	11, 140	11, 140	11, 140	8, 67	9, 66	10, 65	11, 64	7, 68	8, 67	9, 66	10, 65
<i>Overall F</i>	3.16**	4.23***	4.24***	10.75***	9.85***	9.68***	9.68***	2.31*	2.25*	4.70***	4.33***	.79	.82	6.01***	5.35***

^a Society scenario U.S. + TR sample: $n = 152$; U.S. sample: $n = 76$; TR sample: $n = 76$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 16
Results of hierarchical regression analysis: Effect of cultural values and beliefs on the
preference of economic prosperity over social justice (c)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	-.01	-.01	-.01	-.01	-.01	-.01	-.01	-.01	-.01	-.02	-.01	.00	.00	.00	.00
Gender	.32 [†]	.35*	.36*	.30 [†]	.30 [†]	.31 [†]	.30 [†]	.27	.26	.20	.18	.43	.47	.41	.41
Experience	-.01	-.01	.00	.00	.01	.00	.00	.00	.00	.01	.02	-.01	.00	-.01	-.01
Position	-.06	-.05	-.06	-.05	-.04	-.05	-.04	-.06	-.05	-.05	-.06	-.08	-.09	-.09	-.09
Political view	-.20*	-.20*	-.20*	-.13 [†]	-.13 [†]	-.13 [†]	-.13 [†]	-.26*	-.26*	-.22*	-.23*	-.20	-.18	-.12	-.12
Income	.16***	.15***	.15***	.13**	.12**	.13**	.13**	.19**	.19**	.15**	.14*	.13 [†]	.11	.11 [†]	.11
Upward mobility	.08	.05	.04	.00	.00	-.01	.00	.09	.09	.09	.08	.03	.02	-.08	-.08
Ethnicity								.30	.30	.34 [†]	.36 [†]				
<i>Main effects</i>															
Nationality		.26	.24	.13	.14	.13	.13								
Collectivism (COL)			-.10	-.06	-.29	-.06	-.06		.04	.09	.10		-.29	-.19	-.20
Inequality justification (IJ)				.31**	.31**	.38**	.31**			.25*	.27*			.40*	.40*
<i>Interaction</i>															
Nationality x COL					.40										
Nationality x IJ						-.14									
IJ x COL							.07				-.18				-.01
ΔR^2		.01	.00	.07**	.01	.00	.00		.01	.05*	.01		.02	.10	.00
R^2	.21***	.23	.23	.30	.31	.30	.30	.30**	.30	.36	.37	.12	.14	.24	.24
<i>df</i>	7, 126	8, 125	9, 124	10, 123	11, 122	11, 122	11, 122	8, 59	9, 58	10, 57	11, 56	7, 58	8, 57	9, 59	10, 55
<i>Overall F</i>	4.91***	4.63***	4.16***	5.24***	5.01***	4.81***	4.76***	3.21**	2.81**	3.16**	2.93**	1.13	1.15	1.90*	1.68

^a Company scenario, U.S. + TR sample: $n = 134$; U.S. sample: $n = 68$; TR sample: $n = 66$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 17
Results of hierarchical regression analysis: Effect of cultural values and beliefs on the
preference for economic prosperity over rights of the disadvantaged (s)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	-.02	-.02	-.02	-.02	-.01	-.02	-.01	-.02	-.01	-.01	-.01	-.03	-.03	-.01	-.01
Gender	.11	.10	.15	.08	.09	.08	.05	.12	.23	.22	.21	.06	.07	-.06	-.10
Experience	.02	.02	.01	.01	.01	.01	.01	.01	.00	.02	.01	.03	.03	.00	.01
Position	.06	.07	.10	.11	.12	.11	.09	.06	.09	.09	.06	.14	.14	.10	.09
Political view	-.23*	-.23*	-.26**	-.06	-.05	-.06	-.06	-.22	-.30*	-.06	-.05	-.18	-.18	-.07	-.08
Income	.05	.04	.03	.01	.00	.01	.01	.04	-.01	-.05	-.05	.04	.04	.04	.04
Upward mobility	.01	.00	-.01	-.05	-.06	-.05	-.06	.04	.01	-.02	-.04	-.03	-.03	-.08	-.07
Ethnicity								-.51 [†]	-.19	-.06	.01				
<i>Main effects</i>															
Nationality		.08	.06	-.36 [†]	-.31	-.36 [†]	-.42*								
Collectivism (COL)			-.37**	-.13	.08	-.13	-.12		-.59**	-.33	-.35		-.02	.07	.08
Inequality justification (IJ)				.62***	.60***	.63***	.63***			.56**	.62**			.65**	.65**
<i>Interaction</i>															
Nationality x COL					-.37										
Nationality x IJ						-.02									
IJ x COL							-.23				-.21				-.14
ΔR^2		.00	.04*	.17***	.01	.00	.01		.10	.10	.01		.00	.21	.00
R^2	.07	.07	.11	.28	.29	.28	.29	.12	.22	.31	.32	.06	.06	.28	.28
df	7,	8, 143	9, 142	10, 141	11,	11, 140	11, 140	8, 67	9, 66	10, 65	11, 64	7, 68	8, 67	9, 66	10, 65
Overall F	1.53	1.35	2.00*	5.44***	5.17***	4.91***	5.21***	1.19	2.08*	2.96**	2.77**	.66	.57	2.80**	2.51*

^a Society scenario U.S. + TR sample: $n = 152$; U.S. sample: $n = 76$; TR sample: $n = 76$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 18
Results of hierarchical regression analysis: Effect of cultural values and beliefs on the
preference for economic prosperity over rights of the disadvantaged (c)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	.01	.01	.01	.01	.01	.01	.01	.09	.09	.09	.09	-.02	-.02	-.02	-.02
Gender	.74*	.59 [†]	.61 [†]	.60 [†]	.60 [†]	.57 [†]	.59 [†]	.98*	1.02*	.97*	.92 [†]	.36	.39	.39	.41
Experience	-.05	-.05	-.05	-.05	-.05	-.04	-.05	-.17*	-.17*	-.17*	-.16 [†]	.01	.02	.02	.03
Position	.33 [†]	.30	.29	.29	.29	.29	.28	.57*	.55*	.55*	.54*	-.06	-.06	-.06	-.06
Political view	.05	.06	.07	.09	.08	.09	.09	-.17	-.15	-.12	-.14	.31	.32	.32	.33
Income	-.09	-.01	-.01	-.01	.00	-.02	-.02	-.14	-.11	-.14	-.16	.04	.03	.03	.03
Upward mobility	-.20	-.07	-.08	-.09	-.10	-.07	-.09	.07	.05	.04	.04	-.05	-.06	-.05	-.05
Ethnicity								.17	.16	.19	.24				
<i>Main effects</i>															
Nationality		-1.15**	-1.20**	-1.22**	-1.23**	-1.23**	-1.20**								
Collectivism (COL)			-.24	-.23	-.03	-.23	-.24		-.35	-.31	-.29		-.24	-.24	-.29
Inequality justification (IJ)				.08	.08	-.09	.08			.20	.23			-.01	-.02
<i>Interaction</i>															
Nationality x COL					-.35										
Nationality x IJ						.35									
IJ x COL							-.36				-.37				-.26
ΔR^2		.08**	.01	.00	.00	.01	.01		.01	.01	.01		.01	.00	.01
R^2	.10 [†]	.18	.19	.19	.19	.20	.20	.23*	.24	.25	.25	.06	.06	.06	.07
df	7, 126	8, 125	9, 124	10, 123	11, 122	11, 122	11, 122	8, 59	9, 58	10, 57	11, 56	7, 58	8, 57	9, 56	10, 55
Overall F	2.01 [†]	3.47**	3.17**	2.86**	2.62**	2.69**	2.77**	2.15*	2.01 [†]	1.85 [†]	1.73 [†]	.51	.48	.42	.41

^a Company scenario U.S. + TR sample: $n = 134$; U.S. sample: $n = 68$; TR sample: $n = 66$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 19
Results of hierarchical regression analysis: Effect of cultural values and beliefs on the
preference for social justice over rights of the privileged (s)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	.08 [†]	.07	.07	.07	.07	.07	.07	.11 [†]	.11 [†]	.11 [†]	.11 [†]	-.04	-.04	-.05	-.05
Gender	-.43	-.38	-.39	-.35	-.35	-.36	-.40	-.31	-.32	-.31	-.31	-.33	-.33	-.27	-.63
Experience	-.05	-.02	-.02	-.01	-.01	-.02	-.02	.02	.02	.01	.01	.02	.02	.03	.06
Position	.09	-.03	-.04	-.05	-.05	-.06	-.08	-.11	-.11	-.11	-.10	-.13	-.13	-.11	-.24
Political view	.13	.13	.14	.03	.03	.01	.02	.16	.17	.00	.00	.13	.14	.09	.01
Income	-.19 [*]	-.13	-.12	-.11	-.11	-.11	-.12	-.37 ^{**}	-.36 ^{**}	-.34 ^{**}	-.34 ^{**}	.08	.08	.08	.08
Upward mobility	.08	.22	.22	.25	.25	.24	.23	.40	.40	.42	.42	.14	.14	.16	.21
Ethnicity								-.07	-.11	-.20	-.20				
<i>Main effects</i>															
Nationality		-.99 ^{**}	-.99 ^{**}	-.74 [†]	-.74 [†]	-.74 [†]	-.83 [*]								
Collectivism (COL)			.12	-.02	-.02	-.05	-.01		.06	-.13	-.13		.01	-.03	.03
Inequality justification (IJ)				-.37 [†]	-.37 [†]	-.28	-.35 [†]			-.39	-.40			-.27	-.33
<i>Interaction</i>															
Nationality x COL					.00										
Nationality x IJ						-.18									
IJ x COL							-.37				.02				-1.38 [*]
ΔR^2		.05 ^{**}	.00	.02 [†]	.00	.00	.01		.00	.01	.00		.00	.02	.09 [*]
R^2	.09 [†]	.13	.13	.15	.15	.16	.16	.24 [*]	.24	.26	.26	.04	.04	.05	.14
df	7, 144	8, 143	9, 142	10, 141	11, 140	11, 140	11, 140	8, 67	9, 66	10, 65	11, 64	7, 68	8, 67	9, 66	10, 65
Overall F	1.97 [†]	2.74 ^{**}	2.45 [*]	2.56 ^{**}	2.31 [*]	2.34 [*]	2.49 ^{**}	2.68 [*]	2.35 [*]	2.25 [*]	2.02 [*]	.38	.32	.41	1.04

^a Society scenario U.S. + TR sample: $n = 152$; U.S. sample: $n = 76$; TR sample: $n = 76$

[†] $p < .10$, ^{*} $p < .05$, ^{**} $p < .01$, ^{***} $p < .001$

Table 20
Results of hierarchical regression analysis: Effect of cultural values and beliefs on the
preference for social justice over rights of the privileged (c)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	.03	.03	.05	.05	.05	.05	.05	.11	.12	.13	.13 [†]	-.08	-.07	-.07	-.07
Gender	-.05	-.14	-.21	-.04	-.03	-.03	-.05	-.38	-.43	-.23	-.35	.41	.23	.34	.33
Experience	-.02	-.03	-.04	-.06	-.07	-.06	-.06	-.07	-.07	-.11	-.10	.01	-.04	-.03	-.03
Position	.20	.18	.20	.17	.17	.17	.16	.29	.32	.31	.28	-.04	-.02	-.01	-.01
Political view	.10	.11	.09	-.09	-.09	-.09	-.08	.18	.15	.03	-.02	-.01	-.08	-.20	-.20
Income	-.12	-.07	-.08	-.03	.00	-.02	-.04	-.23	-.26 [†]	-.15	-.19	.11	.18	.18	.18
Upward mobility	-.26	-.18	-.15	-.02	-.03	-.04	-.02	.02	.05	.06	.05	-.42	-.38	-.19	-.20
Ethnicity								-.27	-.26	-.40	-.29				
<i>Main effects</i>															
Nationality		-.68	-.54	-.25	-.26	-.25	-.23								
Collectivism (COL)			.64 [*]	.54 [†]	1.13 [*]	.55 [†]	.53 [†]		.44	.25	.29		1.43 ^{**}	1.26 [*]	1.29 [*]
Inequality justification (IJ)				-.86 ^{***}	-.85 ^{***}	-.77 ^{**}	-.86 ^{***}			-.87 ^{**}	-.81 [*]			-.74 [*]	-.74 [*]
<i>Interaction</i>															
Nationality x COL					-1.03 [†]										
Nationality x IJ						-.18									
IJ x COL							-.37				-.76				.15
ΔR^2		.02	.03 [*]	.10 ^{***}	.02 [†]	.00	.01		.01	.11 ^{***}	.03		.11 ^{**}	.08 [*]	.00
R^2	.05	.07	.10	.21	.23	.21	.22	.11	.13	.23	.26	.06	.17	.25	.25
<i>df</i>	7, 126	8, 125	9, 124	10, 123	11, 122	11, 122	11, 122	8, 59	9, 58	10, 57	11, 56	7, 58	8, 57	9, 59	10, 55
<i>Overall F</i>	1.01	1.23	1.56	3.25 ^{**}	3.24 ^{**}	2.95 ^{**}	3.08 ^{**}	.93	.92	1.73 [†]	1.78 [†]	.49	1.44	2.08 [*]	1.85 [†]

^a Company scenario U.S. + TR sample: $n = 134$; U.S. sample: $n = 68$; TR sample: $n = 66$

[†] $p < .10$, ^{*} $p < .05$, ^{**} $p < .01$, ^{***} $p < .001$

Table 21
Results of hierarchical regression analysis: Effect of cultural values and beliefs on the
preference for rights of the disadvantaged over the privileged (s)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	.07	.06	.05	.04	.05	.05	.05	.04	.03	.04	.04	.08	.08	.05	.05
Gender	.47	.54 [†]	.47	.56*	.57*	.56*	.55 [†]	.34	.27	.28	.28	.90*	.87*	1.00**	1.08**
Experience	-.08	-.04	-.04	-.04	-.04	-.04	-.04	.03	.04	.01	.01	-.12	-.13	-.10	-.10
Position	.24	.09	.05	.03	.05	.03	.03	-.05	-.08	-.07	-.05	.09	.10	.15	.18
Political view	.22	.22	.27 [†]	.00	.00	-.01	.00	.28	.33	-.05	-.05	.05	.12	.00	.02
Income	-.18*	-.10	-.09	-.06	-.07	-.05	-.06	-.16	-.12	-.07	-.06	-.08	-.10	-.10	-.10
Upward mobility	.04	.21	.22	.27**	.26 [†]	.27 [†]	.27 [†]	.61*	.63*	.68*	.69*	-.07	-.09	-.04	-.05
Ethnicity								.70	.47	.26	.21				
<i>Main effects</i>															
Nationality		-1.23**	-1.20**	-.65 [†]	-.59	-.65	-.67 [†]								
Collectivism (COL)			.51*	.20	.44	.17	.20		.42	.00	.02		.59 [†]	.50 [†]	.49
Inequality justification (IJ)				-.81***	-.84***	-.74**	-.81***			-.89*	-.94*			-.70**	-.69**
<i>Interaction</i>															
Nationality x COL					-.45										
Nationality x IJ						-.14									
IJ x COL							-.06				.15				.30
ΔR^2		.07**	.03*	.10***	.01	.00	.00		.02	.08*	.00		.04 [†]	.11**	.00
R^2	.10*	.17	.20	.29	.30	.29	.29	.19 [†]	.20	.28	.28	.13	.17	.28	.28
<i>df</i>	7, 144	8, 143	9, 142	10, 141	11, 140	11, 140	11, 140	8, 67	9, 66	10, 65	11, 64	7, 68	8, 67	9, 66	10, 65
<i>Overall F</i>	2.31*	3.68**	3.90***	5.85***	5.42***	5.30***	5.29***	1.91 [†]	1.85 [†]	2.52*	2.28*	1.38	1.70	2.81**	2.55*

^a Society scenario U.S. + TR sample: $n = 152$; U.S. sample: $n = 76$; TR sample: $n = 76$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 22
Results of hierarchical regression analysis: Effect of cultural values and beliefs on the
preference for rights of the disadvantaged over the privileged (c)^a

Independent variables	US + TR Sample							U.S. Sample				Turkey sample			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 1	Model 2	Model 3	Model 4	Model 1	Model 2	Model 3	Model 4
<i>Controls</i>															
Age	.04	.04	.05	.05	.05	.05	.06	.06	.06	.06	.06	.11	.11	.11	.11
Gender	-.03	-.16	-.22	-.18	-.18	-.22	-.19	.63	.58	.55	.60	-.86	-.94	-.91	-.88
Experience	-.04	-.04	-.05	-.06	-.06	-.05	-.06	-.04	-.04	-.03	-.04	-.11	-.14	-.14	-.13
Position	.19	.16	.18	.18	.18	.19	.17	.29	.32	.33	.34	.01	.02	.02	.02
Political view	.04	.05	.04	.01	.00	.01	.01	.14	.11	.13	.14	-.18	-.21	-.26	-.24
Income	-.25**	-.18 [†]	-.19*	-.18 [†]	-.18 [†]	-.20*	-.19 [†]	-.33*	-.37*	-.38*	-.37*	-.11	-.07	-.07	-.08
Upward mobility	.15	.26	.29	.31 [†]	.31 [†]	.36 [†]	.32 [†]	.72**	.75**	.75**	.75**	-.18	-.16	-.10	-.10
Ethnicity								-.34	-.32	-.30	-.34				
<i>Main effects</i>															
Nationality		-1.00*	-.88*	-.82 [†]	-.82 [†]	-.83*	-.80 [†]								
Collectivism (COL)			.57 [†]	.55 [†]	.59	.54 [†]	.54 [†]		.49	.52	.51		.70	.64	.59
Inequality justification (IJ)				-.17	-.17	-.46	-.17			.13	.10			-.26	-.27
<i>Interaction</i>															
Nationality x COL					-.07										
Nationality x IJ						.62									
IJ x COL							-.37				.29				-.32
ΔR^2		.04*	.02 [†]	.00	.00	.02	.01		.02	.00	.00		.03	.01	.01
R^2	.08	.12	.14	.14	.14	.16	.15	.21 [†]	.23	.23	.24	.10	.13	.14	.15
<i>df</i>	7, 126	8, 125	9, 124	10, 123	11, 122	11, 122	11, 122	8, 59	9, 58	10, 57	11, 56	7, 58	8, 57	9, 59	10, 55
<i>Overall F</i>	1.46	2.07*	2.22*	2.04*	1.84 [†]	2.07*	1.97 [†]	2.00 [†]	1.91 [†]	1.71 [†]	1.56	.95	1.07	1.01	.93

^a Company scenario U.S. + TR sample: $n = 134$; U.S. sample: $n = 68$; TR sample: $n = 66$

[†] $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$

Table 23
Results of the hypotheses testing

	<i>Economic prosperity over social justice</i>	<i>Economic prosperity over rights of the disadvantaged</i>	<i>Social Justice over rights of the privileged</i>	<i>Rights of the disadvantaged over the privileged</i>
Cross-culture mean comparisons	H1(s) √ H1(c) √	H4(s) X H4(c) √	H5(s) √ H5(c) √	H10(s) √ H10(c) √
Nationality	H1(s) √ H1(c) X	H4(s) X H4(c) √	H5(s) √ H5(c) X	H10(s) √ H10(c) √
Collectivism	H2(s) X H2(c) X	H6(s) X H6(c) X	H7(s) X H7(c) √ ^{a,b}	H11(s) √ ^{a,b} H11(c) √ ^a
Inequality justification	H3(s) √ H3(c) √	H8(s) √ H8(c) X	H9(s) √ ^a H9(c) √	H12(s) √ H12(c) X
<i>Mediation</i> Collectivism	H13(s) X H13(c) X	H13(s) X H13(c) X	H13(s) X H13(c) √	H13(s) X H13(c) X
Inequality justification	H14(s) √ H14(c) √	H14(s) √ H14(c) X	H14(s) √ ^a H14(c) √	H14(s) √ H14(c) X

^a Marginally significant.

^b Significant in Turkey sample only.

Figures

Figure 1
Theoretical model

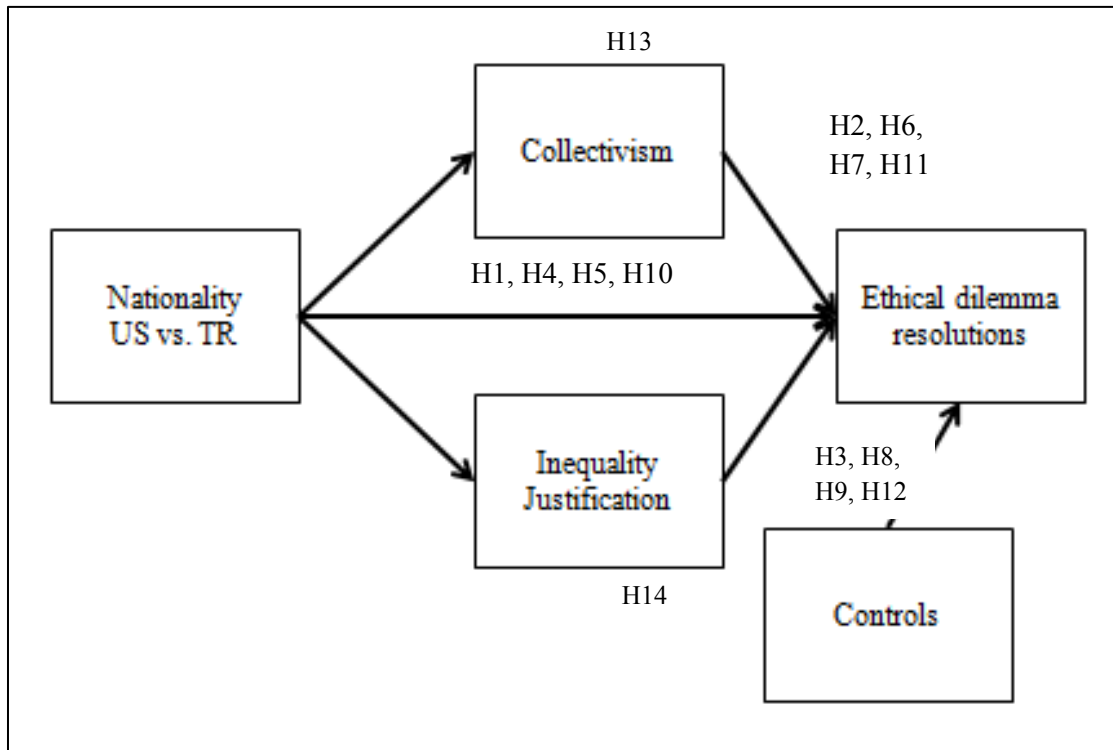


Figure 2
Trade-off between economic prosperity and social justice

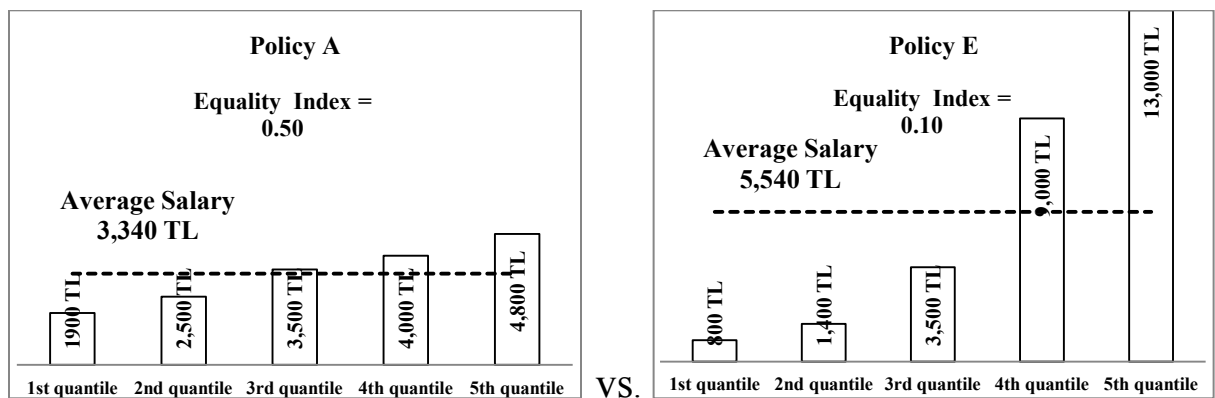
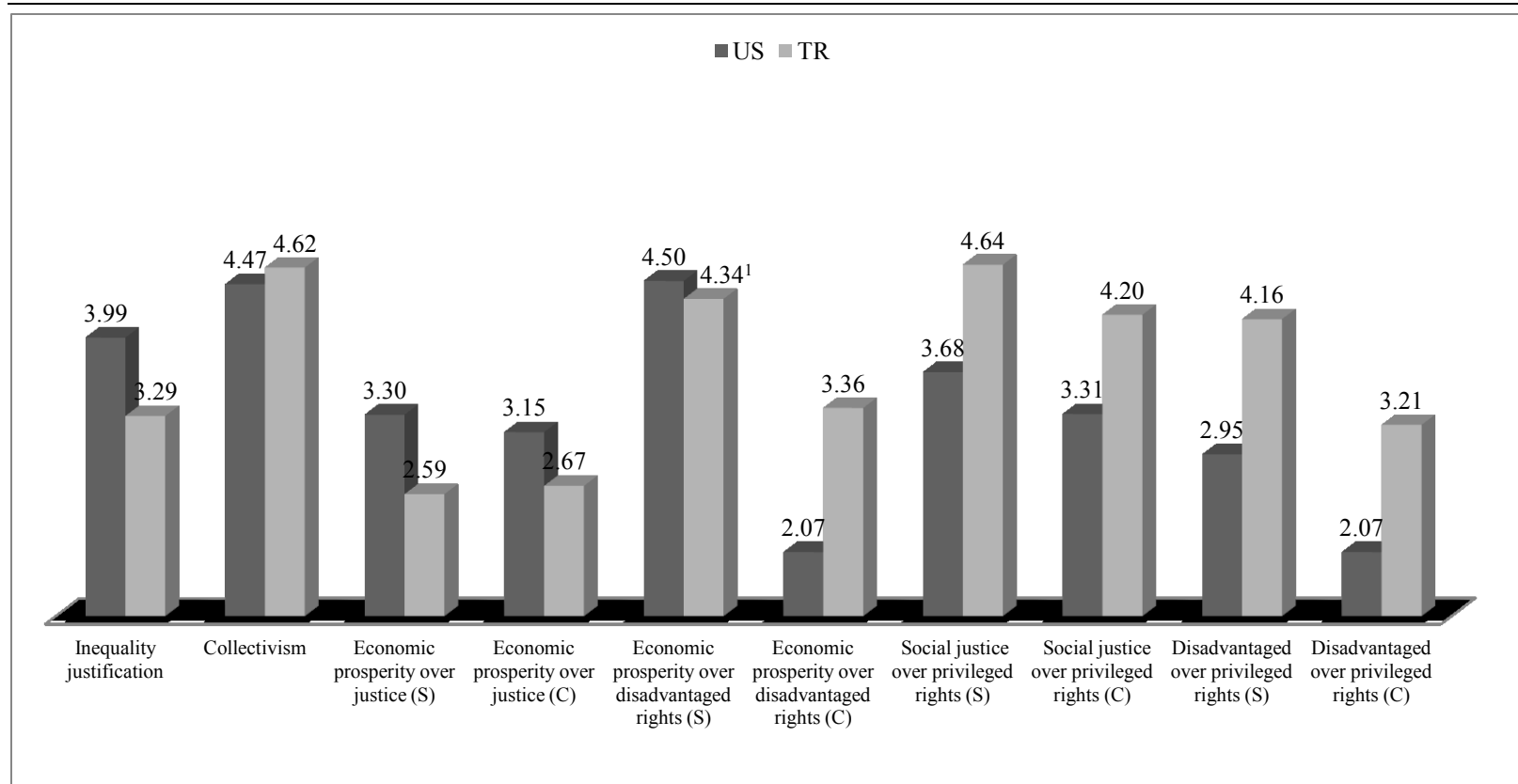


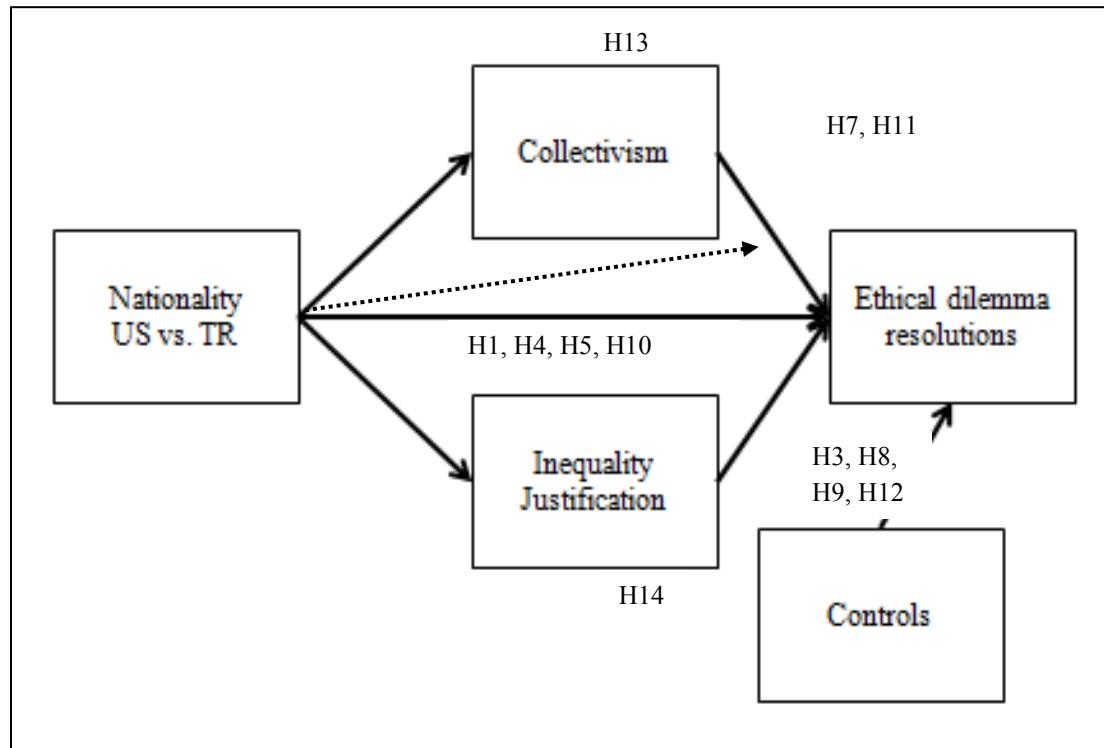
Figure 3
Cross-cultural comparisons: U.S. versus Turkey



All mean differences are significant at or below .05 levels based on independent sample t-tests.

¹Not significant

Figure 4
Revised Theoretical model



Scenarios

Economic prosperity versus social justice

Society scenario “Imagine that your country is currently undergoing debates regarding the level of income inequality among citizens and there are two camps with opposing views: the economic prosperity camp versus the social justice camp. The economic prosperity camp argues that the most important issue the country faces is stimulating economic growth and income inequality is morally justified as it incentivizes competition and performance and leads to higher average income (or higher total income earned by all). The social justice camp, argues, in contrast, that the most important issue for the country is promoting social cohesion, and deviation from equality is morally justified only if it elevates the income of all persons, particularly the disadvantaged, and make all better-off.

A series of policies have been proposed to promote the respective visions. Independent research predicts a difficult dilemma, that is, competition encouraged by large income gap tends to increase average income at the society level but decrease social cohesion whereas higher income equality tends to lower average income but enhance social cohesion.

The charts below portray the trade-offs between average income and overall income equality of each policy. In the charts, household incomes are broken down into 5 quintiles (20%), from the poorest 20% (1st quintile) to the wealthiest 20% (5th quintile). Average income is reflected in the horizontal bar. Overall income equality is marked by an Equality Index $[(1st+2nd) / (4th+5th)]$ ranging from 0 (no equality) to 1.0 (perfect equality).

Your views are very important because they are likely to determine the future direction of the country. Please choose the policy that you consider to be the most ethical choice for the country. “

- ☐ Policy A: Equality and social cohesion are highest. However, average earning is lowest due to lowest economic growth.
- ☐ Policy B: Equality and social cohesion are high. However, average earning is relatively low due to low economic growth.
- ☐ Policy C: This policy is middle of the road. Equality and social cohesion are moderate. Average earning and economic growth are also moderate.
- ☐ Policy D: Equality and social cohesion are low. However, average earning is relatively high due to high economic growth.
- ☐ Policy E: Equality and social cohesion are lowest. However, average earning is highest due to highest economic growth.

Company scenario “Imagine that your company is currently undergoing debates regarding whether to increase or decrease wage differential among employees within the company and there are two camps with opposing views: the performance camp versus the social cohesion camp.

The performance camp is most concerned with the company’s future economic competitiveness and argues that enlarging wage differential is morally justified as incentivizing competition and performance will lead to higher average income (or total wages earned by all employees).

The social cohesion camp is most concerned with positive social relationships among different units and levels of employees and argues that increasing wage

differential is morally justified only if it elevates the wages of all employees, particularly of those in the lowest ranks, and motivates cooperation and cohesion.

A series of policies have been proposed to promote the respective visions.

Independent research predicts a difficult dilemma, that is, competition encouraged by increasing wage differential leads to higher average wage but also increase conflict and tension whereas cooperation induced by increasing wage equality leads to lower average wage but greater cohesion and solidarity.

The charts below portray the tradeoffs between average wage and overall wage equality of each policy. In the charts, employee wages are broken down into 5 quintiles (20%), from the lowest 20% (1st quintile) to the highest 20% (5th quintile). Average wage is reflected in the horizontal bar whereas overall wage equality is marked by an Equality Index $[(1st+2nd) / (4th+5th)]$ ranging from 0 (no equality) to 1.0 (total equality).

Your views are very important because they are likely to determine the future direction of the company. Please choose the policy that you consider to be the most ethical choice for the company. “

- ☐ Policy A: Equality and social cohesion are highest. However, average wage is lowest.
- ☐ Policy B: Equality and social cohesion are high. However, average wage is relatively low.
- ☐ Policy C: This policy is middle of the road. Equality and social cohesion are moderate. Average wage is also moderate.
- ☐ Policy D: Equality and social cohesion are low. However, average wage is relatively high.
- ☐ Policy E: Equality and social cohesion are lowest. However, average wage is highest.

Economic prosperity versus rights of the disadvantaged

Society scenario “Imagine that the national economy in the last decade has suffered a period of recession and an accumulation of a huge debt. The economy is currently experiencing a severe lack of cash. Independent research predicts that the full recovery of the national economy will take 5 years (60 months). To speed up recovery and avert bankruptcy, a proposal was made to impose budget cuts on social programs and use the funds for economic growth programs.

The proposal triggered two sharply contrasting views. Supporters are most concerned about the economic well-being of the country and they argue that an increase in the investment to economic growth programs and cuts on the social programs is morally justified as it leads to maximum benefit for maximum number of people by speeding up the recovery of the national economy. Opponents, in contrast, are most concerned about protecting the rights of the underprivileged members and they argue that financial resources should be devoted to the social programs to meet the basic needs of the underprivileged, such as food, shelter, medical assistance, and education.

There is no easy solution to this difficult dilemma: greater investment to economic programs will help the national economy to bounce back sooner but will result in insufficient funds to meet the urgent needs of the poor, unemployed and elderly and harm their right to basic needs. Conversely, investment to social programs will help protect the basic needs of the underprivileged but will slow down the economic recovery and increase the risk of bankruptcy. Your policy decision is important because it is likely

to affect the future of the country. Please choose the policy that you consider is morally right for your country. “

- ☐ Policy A: 99% of funds to economic programs; 1% to social programs: recovery 12 months.
- ☐ Policy B: 90% of funds to economic programs; 10% to social programs: recovery 18 months.
- ☐ Policy C: 75% of funds to economic programs; 25% to social programs: recovery 24 months.
- ☐ Policy D: 50% of funds to economic programs; 50% to social programs: recovery 36 months.
- ☐ Policy E: 25% of funds to economic programs; 75% to social programs: recovery 48 months.
- ☐ Policy F: 10% of funds to economic programs; 90% to social programs: recovery 54 months.
- ☐ Policy G: 1% of funds to economic programs; 99% to social programs: recovery 60 months.

Company scenario “In the last decade the Jet Airlines Inc. has been losing its business and accumulating a huge debt; it is currently suffering a severe lack of cash. Based on an independent research by a consulting company the full recovery of the company will take 24 months. To speed up recovery and avert bankruptcy, a proposal was made to delay paying employee wages. The proposal triggered two sharply contrasting views. Supporters argue that protecting the economic well-being of the

company by delaying employee wages is morally justified since it leads to the best outcome for maximum number of people. Opponents argue, in contrast, that delaying the wages of the employees is morally wrong since it will put most employees in a difficult financial situation; in particular, the lowest earning employees will be pushed under the poverty line violating their basic right to an adequate standard of life. The independent consulting company estimated that each one month of wage delay will speed up recovery for 3 months and hence 6 months of wage delays will be sufficient to accumulate enough capital for recovery of the company within 6 months, rather than the entire 24 months. There is no easy solution to this problem. Longer delay of the wage payment will help the company recover faster and avoid bankruptcy but will hurt the employees' rights to basic needs. Shorter delay of the wage payment will help employees meet their basic needs but will slow down the company's recovery and increase the risk of bankruptcy.

How many months of wage delays for the economic well-being of the company can be considered ethical?"

- ☐ No delays, pay on time; full recovery of the company in 24 months (1)
- ☐ 1 month of delay in payments of the wages; full recovery of the company in 21 months.
- ☐ 2 months of delay in payments of the wages; full recovery of the company in 18 months.
- ☐ 3 months of delay in payments of the wages; full recovery of the company in 15 months.
- ☐ 4 months of delay in payments of the wages; full recovery of the company in 12 months.

- 5 months of delay in payments of the wages; full recovery of the company in 9 months.
- 6 months of delay in payments of the wages; full recovery of the company in 6 months.

Social justice versus rights of the privileged

Society scenario “According to the recent media reports of your country, “there are vast protests by the citizens in various parts of the country over the widening public healthcare inequalities, particularly the inferior health care quality in the rural regions.” For instance, the patient per doctor ratio in the rural areas (850:1) is significantly higher than in urban areas (285:1) and due to the lack of qualified doctors and equipments, the mortality rate of the newborns is twice as high in the rural as it is in urban regions. Accordingly, a new legislation was proposed that would require compulsory service of 2 years in rural regions for medical school faculty. During the time the faculty will receive compensatory assistance for working in hard conditions.

However, the proposal triggered sharply contrasting views. Supporters argue that compulsory service for the privileged members is morally justified since it reduces the public healthcare inequalities and serves the shared vision - social equality and cohesion among different regions of the county. Opponents argue, in contrast, that government should protect rights of all citizens including the affluent and the privileged. They argue that the contribution of the medical faculty should be voluntary rather than compulsory therefore cannot be morally justified. Accordingly, supporters want 2 years (24 months) compulsory service while opponents want no service or as short as possible.

There is no easy solution to this dilemma. Longer compulsory service will increase healthcare equality and social cohesion but it will hurt the rights of the medical

faculty. Shorter compulsory service will protect the rights of the medical faculty but it will prolong or even increase tension and conflict among the regions of the country.

How many months of compulsory medical service would be ethical? “

- ☐ No compulsory service ☐ 4 months ☐ 8 months ☐ 12 months
☐ 16 months ☐ 20 months ☐ 24 months.

Company scenario “The Price-Low Inc. has long had the practice of ranking employees based on their performances and paying an end of year bonus (30% of one’s total income) based on this ranking and a person’s hierarchical position. Over the years this practice has resulted in large pay gap between the top 10% high bonus earners and the rest of the employees and lead to increasing discontent and tension among the employees.

Accordingly, the company is seeking proposals to address this issue. Of the many proposals, one attracts the most attention. The proposal adapts a new bonus allocation formula which results in 6% reduction of the bonuses for the top 10% employees while increasing the average bonuses of all other employees.

However, the proposal triggered sharply contrasting views. Supporters of the proposal are most concerned with solidarity and cohesion among employees and argue that the 6% bonus reduction of the highest level employees is morally right since all employees contribute to the value creation process and the new formula increases the bonuses of all other employees and reduces pay inequality. Opponents argue, in contrast, that the top 10 percent bonus earners are the highest performers and they deserve the highest bonus pay; reducing their bonus is morally wrong since it violates the spirit of the employment contracts and their right to promised future earnings.

There is no easy solution to this dilemma. The more bonus cut at the top 10 percent will hurt the rights of the top level employees but it will help increase the bonus for other employees and reduce the pay gap and thus increase social cohesion and solidarity. Conversely, less bonus cut will help protect the rights of the top 10 percent employees but hurt the goal of social cohesion of the company.

What percentage of bonus cuts of the top 10% would be ethical? ”

☐ No bonus cut ☐ 1% cut ☐ 2% cut ☐ 3% cut ☐ 4% cut ☐ 5% cut ☐ 6% cut

Rights of the disadvantaged versus the privileged

Society scenario “There has been a devastating storm in your country that caused unprecedented damages. According to the news reports, “people lost their homes and family members; there was no power, no access to shelter, and no clean water, food or medical assistance; the infrastructure is completely damaged and communities will have to be rebuilt”.

Philanthropic funds and all other available sources have been exhausted but were not enough to meet the aid needs of a natural disaster of this magnitude. The national government wants to take immediate, drastic action and a proposal is made to levy a disaster tax of 6 percent on the income of the affluent individuals and households for two years.

The tax proposal triggered two sharply contrasting views. Supporters of the proposal are most concerned about the immediate survival of the victims and argue that the victims’ right to basic needs trumps all other concerns. Opponents, however, are most concerned about the rights of the affected wealthy individuals and households. They

argue that the rights of individuals, affluent or not, to keep what they earn and distribute as they please should in no circumstances be violated.

There is no easy solution to this dilemma. More disaster tax will help the victims maintain their basic right to survival but it will also hurt the affluent in the sense that it violates their right to property. Conversely, less disaster tax will help protect the right of the affluent but hurt the victims in maintaining their basic rights as human beings.

A referendum is issued for citizens to vote for the proposal and your view will potentially affect the final decision of the government. What percentage of tax on the income of the affluent families would be ethical? “

☐ No tax ☐ 1% tax ☐ 2% tax ☐ 3% tax ☐ 4% tax ☐ 5% tax ☐ 6% tax

Company scenario “There has been a devastating storm that caused unprecedented damages. According to the news reports, “people lost their homes and family members; there was no power, no access to shelter, and no clean water, food or medical assistance; the infrastructure is completely damaged and communities will have to be rebuilt”.

A significant portion of the company employees of the Fig Barrel Inc suffered devastating losses. Government aid and all other philanthropic funds have been exhausted but were not enough to meet the aid needs of the company’s employee victims. Accordingly, the company has established an employee disaster relief fund to provide support to its employees. The company proposes voluntary contribution from all employees; in addition it proposes a 6% mandatory salary cuts from all of its high level managers.

However, the proposal triggered sharply contrasting views. Supporters of this proposal argue that the management has the moral responsibility to protect the basic survival rights of its employees, whose contribution to the company should be well-recognized. Opponents of this proposal argue, in contrast, that aiding the employees should be voluntary, as for all other employees, and a mandatory salary cut is morally wrong as it violates managers' right to keep what they earn and distribute as they please.

There is no easy solution to this dilemma. The higher the salary cuts the more it will help the recovery of the employee victims but will also hurt the top managers' right to property. Conversely, lower salary cuts will help protect the rights of the top managers but hurt the right to survival of the employee victims. What percentage of salary cuts would be ethical?"

☐ No cut ☐ 1% cut ☐ 2% cut ☐ 3% cut ☐ 4% cut ☐ 5% cut ☐ 6% cut