

CULTURAL INFLUENCES ON MORAL REASONING CAPACITIES OF PURCHASING MANAGERS: A COMPARISON ACROSS THE TAIWAN STRAIT

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The authors utilized the Defining Issues Test (Rest, 1979) to analyze the moral reasoning capacities of purchasing managers in Taiwan and mainland China. The findings revealed that the respondents all focused more on the conventional level than on the postconventional level of moral development as both of these areas are influenced by Chinese culture. The moral reasoning capacities of Taiwanese purchasing managers were found to be different to some extent from those of their Chinese counterparts.

Keywords: purchasing managers, moral reasoning, defining issues test, culture.

Considerable attention has been paid to investigating purchasing ethics issues (e.g., Handfield & Baumer, 2006); however, there have been few attempts to explore the moral reasoning of purchasing managers. An individual's moral reasoning capacity plays an important role in how his/her actions are shaped (Kohlberg, 1969; Rest, 1986). It is reasonable to expect purchasing managers with different moral reasoning capacities to exhibit different business behaviors. Ford, LaTour, and Henthorne's (2000) study of Japanese purchasing managers is perhaps the only one that has focused on the moral reasoning of such managers. Therefore, there is still a vast area left for research concerning this topic.

In this article, purchasing managers in Taiwan and mainland China were chosen as research subjects. These two areas have major markets for industrial products. Both Taiwan and mainland China are influenced by Chinese culture; however,

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these two areas separated and began developing independently in 1949. Taiwan is considered to be a capitalistic country while mainland China is considered a socialistic country. Political and economic conditions may influence individuals' values. Thus, the authors anticipated that it would be an interesting and useful undertaking to compare the differences in the moral reasoning capacities of purchasing managers in these two areas. As a result, this study was aimed at: (1) exploring the moral reasoning capacities of purchasing managers in Taiwan and mainland China; and (2) verifying whether or not there is a difference in moral development between purchasing managers in these two areas.

THEORETICAL BACKGROUND

KOHLBERG'S THEORY OF MORAL REASONING

Kohlberg's (1969) theory of moral reasoning has been widely used in investigations concerning the reasons that people use in moral judgment (Rest, 1986). The theory divides moral reasoning into six stages, of which two are at the preconventional level, two are at the conventional level, and two are at the post-conventional level (Kohlberg, 1969). The preconventional level is characterized by one's own interests in terms of rewards/punishments and the exchange of favors. The conventional level is characterized by adherence to norms which have been established by external groups, such as society and peer groups. At stage three, ethical behavior is thought to be what pleases or helps others. At stage four, individual moral reasoning considers the rules and laws of social, legal, or religious systems. The postconventional level involves moral judgments driven by the commitment of the individual to personally selected universal ideals, rather than group norms. At stage five, the individual is aware of the relativism of personal values. At stage six, the individual is guided by self-chosen ethical principles of justice and the rights of human beings.

CHINESE CULTURAL VALUES AND MORAL REASONING

Both Taiwan and mainland China are influenced by Chinese cultural values. In general, traditional Chinese culture results mainly from the influences of Confucianism (Hofstede, 2005). Confucian ethics emphasize harmonious relationships within society, family, and individuals, and have influenced the business practices in Taiwan and mainland China (Cheung & King, 2004). The relationships between ruler and subject, and father and son have been applied to the leader-and-subordinate relationship in business. Furthermore, the relationships between older and younger brothers, and between friends have been used to investigate the relationships between colleagues in a business context. Because the conventional level of moral development concerns interpersonal concordance, and law and duty to the social order, whereas the postconventional

level focuses on individual principles, it is reasonable to expect that the moral reasoning of purchasing managers in Taiwan and mainland China will focus mainly on the conventional level. Therefore, our first research hypothesis was as follows:

H1: Purchasing managers in Taiwan and mainland China will demonstrate higher stage scores for the conventional level than for the postconventional level.

While retaining traditional Chinese culture, Taiwan has developed to some extent following the Western free-market model. On the other hand, mainland China has long been a socialist society. Taiwan, on the other hand is considered to be a capitalistic/democratic country. Because Taiwan is a democratic society and mainland China is a centralist society, power distance could, to a certain extent, explain the difference in moral reasoning levels between these two areas. Power distance is the degree to which people accept inequality in power and still consider it normal (Hofstede, 2005). Individuals with higher power distance tend to comply with the wishes of workplace superiors and to follow the rules or laws established by the group. As the conventional level of moral reasoning is characterized more by individual commitment to group norms than by personally selected universal ideals (Kohlberg, 1969), it is reasonable to assume that individuals with higher power distance might focus more on the conventional level. While mainland China scored higher on power distance than Taiwan in Hofstede's (2005) study, purchasing managers in mainland China were expected to reason more at the conventional level and less at the postconventional level than their Taiwanese counterparts. Therefore, our second research hypothesis was:

H2: Chinese purchasing managers will score higher on the conventional level and lower on the postconventional level than will their Taiwanese counterparts.

METHOD

INSTRUMENTS

The Defining Issues Test (DIT), developed by Rest (1979), is a well-known instrument for measuring an individual's moral reasoning through his/her responses to a series of ethical dilemmas. As some researchers believed that the three-scenario version of the DIT, consisting of the Heinz and the Drug, Doctor's Dilemma, and Escaped Prisoner scenarios, would be more suitable for Asian occasions (Ford et al., 2000; Ma & Cheung, 1996), the three-scenario version was used in this study. Even though the Chinese translation of the DIT has been used in previous studies (Ma & Cheung, 1996), the entire final instrument was subjected to back translation and no problems were encountered.

PARTICIPANTS

A sample of 2000 purchasing managers, 1000 in each area, was randomly selected from a list of purchasing professionals covering a broad spectrum of industries in Taiwan and mainland China. Participants were contacted by researchers via telephone and email and asked to fill out the questionnaire which was to be mailed to them. A total of 249 respondents in Taiwan and 257 in Mainland China returned the questionnaires; the total response rate was therefore 25.3%. To check the nonresponse bias, the answers of early versus late respondents were compared. Because early respondents did not display significant differences from late respondents, the nonresponse bias is not considered to be significant in the study. Reliability criteria for the DIT (Rest, 1979) were used to verify the internal consistency of the responses. Forty-nine respondents (22 in Taiwan and 27 in China) did not pass reliability checks and were discarded. Accordingly, the total sample size was 457 (227 in Taiwan and 230 in China).

RESULTS

Table 1 shows the mean scores for the stages of moral reasoning for purchasing managers in Taiwan and mainland China. For the entire sample, the scores for the conventional level were found to be higher than for the postconventional level. An independent-samples *t* test also revealed that the difference was significant ($t = 4.35$, $p < 0.01$ for Taiwan and $t = 5.31$, $p < 0.01$ for China). Therefore our first research hypothesis that purchasing managers in Taiwan and mainland China would demonstrate higher stage scores for the conventional level than for the postconventional level of moral reasoning was supported. Stage 3 focuses more on mutual benefits, while stage 4 focuses on rules. Stage 5 is divided into two substages with 5a focusing on organizing society by appealing to consensus-producing procedures, insisting on due process and safeguarding minimal basic rights. Stage 5b focuses on organizing social arrangements and relationships in terms of intuitively appealing ideals. Taiwanese and Chinese purchasing managers' collectivist orientation with group benefits was found to take precedence over benefits to the individual. They may therefore be focused more on gaining mutually satisfying outcomes and group harmonization during the purchasing negotiation process individual benefits.

In addition, a comparison of the moral reasoning capacities between purchasing managers in Taiwan and those in mainland China revealed that Chinese purchasing managers score higher on the conventional level and lower on the postconventional level than Taiwanese respondents. An independent-samples *t* test also revealed that the differences were significant ($t = -1.78$, $p < 0.05$ for conventional level; $t = 1.61$, $p < 0.05$ for postconventional level). Accordingly, our second research hypothesis was supported. However, it should be emphasized

that the DIT measures the moral development of an individual and it cannot and does not measure how ethical that individual is. According to the current results, we cannot postulate that purchasing managers in Taiwan are more ethical than those in mainland China.

TABLE 1
A SUMMARY OF THE DIT MEAN STAGE SCORES

Stage ^a	Taiwan	Mainland China	<i>t</i> test
Stage 2	1.72	1.31	0.99
Stage 3	19.68	20.04	-0.74
Stage 4	32.71	34.98	-1.95
Stage 5a	17.71	16.64	1.01
Stage 5b	7.08	6.09	1.12
Stage 6	10.02	9.65	0.18
Conventional level (stages 3 & 4)	52.39	55.02	-1.78
Postconventional level (stages 5 & 6)	34.81	32.38	1.61

^a the DIT does not measure Stage 1.

CONCLUSIONS

Taiwan and mainland China stand at an extremely important position in the global economic system. To be successful in the Great China market, it would be helpful to understand the moral reasoning of purchasing managers in Taiwan and mainland China. This study found that purchasing managers in these two areas focus more on the conventional level than on the postconventional level of moral reasoning. Moreover, the results also indicate that Chinese purchasing managers focus more on the conventional level and less on the postconventional level than do Taiwanese respondents. As the conventional level is characterized by the adherence to norms which have been established by external groups such as society and peer groups, international marketers should bear in mind that these conventional-level purchasing managers may be predominantly concerned with mutually satisfying outcomes and group harmonization during the purchasing negotiation process.

Like any other ethics research, this study has the potential to be biased by socially desirable responses. However, the fact that the survey was voluntary and anonymous may have lessened this problem. Although this article extends the research on purchasing ethics by using the DIT to examine the moral reasoning capacities of purchasing managers in Taiwan and mainland China, it would be useful for future researchers to pay more attention to examining the moral reasoning of purchasing managers in multiple countries because culture plays such a potentially important role in moral reasoning.

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