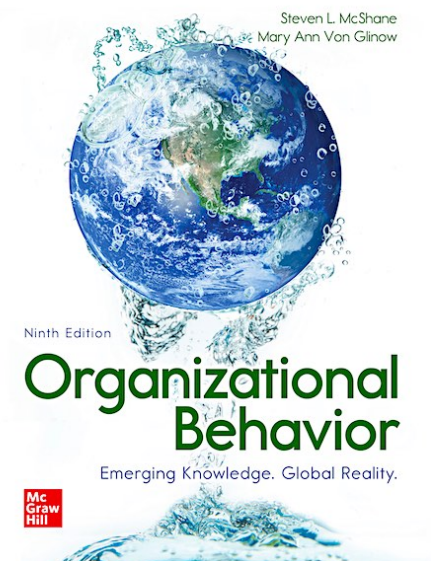


Instructor's Manual to Accompany **Organizational Behavior 9/e**

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Chapter 2: Individual Differences: Personality and Values

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Individual Differences: Personality and Values

LEARNING OBJECTIVES

After reading this chapter, students should be able to:

- 2-1 Define personality and discuss how the Big Five personality factors relate to workplace behavior and performance.
- 2-2 Describe the dark triad of personality and the MBTI types and discuss their implications for organizational behavior.
- 2-3 Summarize Schwartz's model of individual values and discuss the conditions where values influence behavior.
- 2-4 Describe four ethical principles and discuss three factors that influence ethical behavior.
- 2-5 Describe five values commonly studied across cultures.

CHAPTER GLOSSARY

achievement-nurturing orientation — cross-cultural value describing the degree to which people in a culture emphasize competitive versus cooperative relations with other people

agreeableness — a personality dimension describing people who are trusting, helpful, good-natured, considerate, tolerant, selfless, generous, and flexible

collectivism — a cross-cultural value describing the degree to which people in a culture emphasize duty to groups to which they belong and to group harmony

conscientiousness — a personality dimension describing people who are organized, dependable, goal-focused, thorough, disciplined, methodical, and industrious

counterproductive work behaviors (CWBs) — voluntary behaviors that have the potential to directly or indirectly harm the organization

dark triad — a cluster of three socially undesirable (dark) personality traits: Machiavellianism, narcissism, and psychopathy

extraversion — a personality dimension describing people who are outgoing, talkative, sociable, and assertive

five-factor model (Big Five) model — the five broad dimensions representing most personality traits: conscientiousness, emotional stability, openness to experience, agreeableness, and extraversion; also known as the “Big Five”

individualism — a cross-cultural value describing the degree to which people in a culture emphasize independence and personal uniqueness

Machiavellianism — a personality trait of people who demonstrate a strong motivation to achieve their own goals at the expense of others, who believe that deceit is a natural and acceptable way to achieve their goals, who take pleasure in outwitting and misleading others using crude influence tactics, and who have a cynical disregard for morality

mindfulness — a person's receptive and impartial attention to and awareness of the present situation as well as to one's own thoughts and emotions in that moment

moral intensity — the degree to which an issue demands the application of ethical principles

moral sensitivity — a person's ability to recognize the presence of an ethical issue and determine its relative importance

Myers-Briggs Type Indicator (MBTI) — an instrument designed to measure the elements of Jungian personality theory, particularly preferences regarding perceiving and judging information

narcissism — a personality trait of people with a grandiose, obsessive belief in their superiority and entitlement, a propensity to aggressively engage in attention-seeking behaviors, an intense envy of others, and tendency to exhibit arrogance, callousness, and exploitation of others for personal aggrandizement

neuroticism — a personality dimension describing people who tend to be anxious, insecure, self-conscious, depressed, and temperamental

openness to experience — a personality dimension describing people who are imaginative, creative, unconventional, curious, nonconforming, autonomous, and aesthetically perceptive

organizational politics — the use of influence tactics for personal gain at the perceived expense of others and the organization

personality — the relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics

power distance — a cross-cultural value describing the degree to which people in a culture accept unequal distribution of power in a society

psychopathy — a personality trait of people who ruthlessly dominate and manipulate others without empathy or any feelings of remorse or anxiety, use superficial charm, yet are social predators who engage in antisocial, impulsive, and often fraudulent thrill-seeking behavior

uncertainty avoidance — a cross-cultural value describing the degree to which people in a culture tolerate ambiguity (low uncertainty avoidance) or feel threatened by ambiguity and uncertainty (high uncertainty avoidance)

values — relatively stable, evaluative beliefs that guide a person's preferences for outcomes or courses of action in a variety of situations

CHAPTER SUMMARY BY LEARNING OBJECTIVE

2-1 Define personality and discuss how the Big Five personality factors relate to workplace behavior and performance.

Personality refers to the relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics. Page 56 Personality is formed through heredity (nature) as well as socialization (nurture).

The Big Five personality factors include conscientiousness, agreeableness, neuroticism, openness to experience, and extraversion. Conscientiousness and extraversion are the best overall predictors of job performance in most job groups. Extraversion and openness to experience are the best predictors of adaptive and proactive performance. Emotional stability (low neuroticism) is also associated with better adaptivity. Conscientiousness and agreeableness are the two best personality predictors of organizational citizenship and (negatively) with counterproductive work behaviors.

Four issues to consider about the Big Five personality factors is that (a) people with higher personality levels aren't necessarily the best performers, (b) specific personality traits are sometimes better predictors of behavior than are the broader Big Five factors, (c) personality changes to some extent over a person's lifetime, and (d) the five-factor model doesn't cover all of an individual's personality.

2-2 Describe the dark triad of personality and the MBTI types and discuss their implications for organizational behavior.

The dark triad is a cluster of three socially undesirable personality traits: Machiavellianism, narcissism, and psychopathy. They have a common core of low humility/honesty or a tendency to malevolently undermine others to maximize one's own gains. Machiavellianism refers to people who demonstrate a strong motivation to achieve their own goals at the expense of others, who believe that deceit is a natural and acceptable way to achieve their goals, who take pleasure in outwitting and misleading others using crude influence tactics, and who have a cynical disregard for morality. Narcissism is a personality trait of people with a grandiose, obsessive belief in their superiority and entitlement, a propensity to aggressively engage in attention-seeking behaviors, an intensive envy of others, and tendency to exhibit arrogance, callousness, and exploitation of others for personal aggrandizement. Psychopathy refers to people who ruthlessly dominate and manipulate others without empathy or any feelings of remorse or anxiety, use superficial charm, yet are social predators who engage in antisocial, impulsive, and often fraudulent thrill-seeking behavior. People with the dark triad personality engage in more organizational politics, white-collar crime, workplace aggression, and (to some degree) counterproductive work behaviors and poor team behavior. They also make riskier decisions, resulting in poorer investment returns. However, the dark triad personality is also associated with manipulative political skill that can lead to higher performance reviews, more central positions in employee networks, and better pay.

Based on Jungian personality theory, the Myers-Briggs Type Indicator (MBTI) identifies competing orientations for getting energy (extraversion versus introversion), perceiving information (sensing versus intuiting), processing information and making decisions (thinking versus feeling), and orienting to the external world (judging versus perceiving). The MBTI improves self-awareness for career development and mutual understanding but is more popular than valid.

2-3 Summarize Schwartz's model of individual values and discuss the conditions where values influence behavior.

Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. Compared to personality traits, values are evaluative (rather than descriptive), more likely to conflict, and formed more from socialization than heredity. Schwartz's model organizes 57 values into a circumplex of 10 dimensions along two bipolar dimensions: openness to change to conservation and self-enhancement to self-transcendence. Values influence behavior in three ways: (1) shaping the attractiveness of choices, (2) framing perceptions of reality, and (3) aligning behavior with self-concept and self-presentation. However, the effect of values on behavior also depends on whether the situation supports or prevents that behavior and on how actively we think about them and understand their relevance to the situation. Values congruence refers to how similar a person's values hierarchy is to the values hierarchy of another source (organization, team, etc.).

2-4 Describe four ethical principles and discuss three factors that influence ethical behavior.

Ethics refers to the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad. Four ethical principles are utilitarianism (greatest good for the greatest number), individual rights (upholding natural rights), distributive justice (same or proportional benefits and burdens), and ethic of care (the moral obligation to help others). Ethical behavior is influenced by the degree to which an issue demands the application of ethical principles (moral intensity), the individual's ability to recognize the presence and relative importance of an ethical issue (moral sensitivity), and situational forces. Ethical conduct at work is supported by codes of ethical conduct, mechanisms for communicating ethical violations, the organization's culture, and the leader's behavior.

2-5 Describe five values commonly studied across cultures.

Five values often studied across cultures are individualism (valuing independence and personal uniqueness); collectivism (valuing duty to in-groups and group harmony); power distance (valuing unequal distribution of power); uncertainty avoidance (tolerating or feeling threatened by ambiguity and uncertainty); and achievement-nurturing orientation (valuing competition versus cooperation).

LECTURE OUTLINE

Slide 1: Individual Differences: Personality and Values

Slide 2: Learning Objectives

2-1 Define personality and discuss how the Big Five personality factors relate to workplace behavior and performance.

2-2 Describe the dark triad of personality and the MBTI types and discuss their implications for organizational behavior.

2-3 Summarize Schwartz's model of individual values and discuss the conditions where values influence behavior.

2-4 Describe four ethical principles and discuss three factors that influence ethical behavior.

2-5 Describe five values commonly studied across cultures.

Slide 3: Individual Differences at Bridgewater Associates

Bridgewater Associates places considerable weight on the personality, values, and other individual differences of its job applicants and employees

- Measure personality and values of job applicants
 - Employee personality, values, and other attributes are displayed on digital baseball cards that all staff can view
 - Co-workers also score each other on these attributes
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Slide 4: Personality in Organizations

Personality defined — relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics

- External traits – observable behaviors
- Internal states – infer thoughts, values, and emotions from observable behaviors

Challenge defining personality — there are a few perspectives of this topic

Personality traits — categories of behavior tendencies caused by internal characteristics (not environment)

Traits are evident across situations, but people do vary their behavior to suit the situation, even if the behavior is at odds with their personality

- E.g., talkative people may talk less in a library where “no talking” rules are explicit and enforced

Slide 5: Nature vs Nurture of Personality

Nature: Heredity explains up to 50 percent of behavior and 30 percent of temperament preferences

Nurture: Socialization, life experiences, and other interactions with the environment also affect personality

Personality stabilizes in young adulthood (about age 30)

- Some personality changes continue to change
 - E.g., agreeableness, conscientiousness tend to increase through to late life
 - E.g., openness to experience, social vitality increase to young adulthood, then decline in later years
- We form a clearer and more rigid self-concept as we get older
- Executive function (part of the brain that monitors and regulates goal-directed behavior) tries to keep our behavior consistent with self-concept

Slide 6: Five-Factor Personality Model

Conscientiousness

- High: organized, dependable, goal-focused, thorough, disciplined, methodical, industrious
- Low: careless, disorganized, less thorough

Agreeableness

- High: trusting, helpful, good-natured, considerate, tolerant, selfless, generous, flexible
- Low: uncooperative, intolerant of others' needs, more suspicious, self-focused

Neuroticism

- High: anxious, insecure, self-conscious, depressed, temperamental
- Low (high emotional stability): poised, secure, calm

Openness to experience

- High: imaginative, creative, unconventional, curious, nonconforming, autonomous, aesthetically perceptive
- Low: resistant to change, less open to new ideas, more conventional and fixed in their ways

Extraversion

- High: outgoing, talkative, energetic, sociable, assertive
- Low (introversion): quiet, cautious, less interactive with others

Slide 7: Five Factor Model and Individual Behavior

Personality mainly affects behavior and performance through motivation — influences direction and intensity of effort

All Big 5 dimensions predict individual behavior to some extent

- Some specific traits may be better predictors than overall dimension
- Personality effect on behavior may be nonlinear (moderate is better than too little/much)

Personality predictors of proficient task performance

- Conscientiousness is best personality predictor of proficient task performance
 - Especially industriousness (achievement, self-discipline, purposefulness) and dutifulness
 - Set higher personal goals, more persistent
- Extraversion second best personality predictor of proficient task performance
 - Especially specific traits of assertiveness and positive emotionality
 - Assertive employees frame situations as challenges rather than threats

Personality predictors of adaptive task performance

- Emotional stability (low neuroticism): cope with ambiguity and uncertainty of change
- Extraversion (especially assertiveness): comfortable influencing others, engaging with environment
- Openness to experience: have more curiosity, imagination, and tolerance of change

Personality predictors of proactive task performance

- Extraversion (especially assertiveness): comfortable influencing others, engaging with environment
- Openness to experience: have more curiosity, imagination, and tolerance of change

Personality predictors of organizational citizenship

- Conscientiousness: more dutiful, dependable
- Agreeableness: motivated to be cooperative, sensitive, flexible, and supportive

Personality predictors of counterproductive work behaviors

- Conscientiousness (negative correlation): people with low conscientiousness are less dependable and feel less obligation toward others
- Agreeableness (negative correlation): people with low agreeableness are less caring of others, less need to be liked

Slide 8: Five Factor Model and Behavior: Further Information

Effective leaders and salespeople tend to be somewhat more extraverted than general population — influencing others, being comfortable in social settings

Openness to experience is associated with successful performance in creative work

Conscientiousness is usually a weak predictor of adaptive and proactive performance (require more structure, clarity)

Agreeableness

- Fairly good personality predictor of performance as team members and in customer service jobs
- A weak predictor of proficient or proactive task performance (lower motivation to set goals, achieve results)

Slide 9: Five-Factor Model Issues

1. Higher isn't always better
 - Model implies that higher scores are better
 - But personality-performance relationship may be nonlinear — optimal level somewhere between high and low
 - Example: best salespeople have moderate extraversion, not very high or low
2. Specific traits may predict better than overall Big Five factors
 - Big Five factors cluster specific personality traits
 - Some specific traits predict behavior/performance better than the broader Big Five factor

- Examples: assertiveness and positive emotionality (traits within extraversion) predict proficient task performance better than the overall extraversion factor
3. Personality isn't static
 - False assumption that adults have a fixed/static personality
 - In reality, some Big Five factors tend to increase or decrease as we age
 - Changes in our environment — new culture, new type of work — can change personality over a long time
 4. The five-factor model doesn't cover all personality
 - Several perspectives of personality, whereas five-factor model represents only some perspectives
 - Dark Triad and Jungian model (MBTI) only partially overlap with the Big Five
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Slide 10: The Dark Triad

Five Factor model development excluded explicitly positive/negative valence words

Dark Triad — re-examined personality clusters with valences — three socially undesirable personality traits of Machiavellianism, narcissism, and psychopathy

Machiavellianism

- Named after Niccolò Machiavelli, 16th-century Italian philosopher who wrote about political behavior
- Strong motivation to get what they want at the expense of others — believe that getting more than one deserves is acceptable
- Believe that deceit is a natural and acceptable way to achieve goals — cynical disregard for moral principles
- Take pleasure in misleading, outwitting, and otherwise controlling others
- Seldom empathize with or trust coworkers

Narcissism

- Named after Narcissus in Greek mythology — obsessed with his beauty, could not stop admiring his reflection in a pool of water (died of thirst)
- Obsessive belief in their superiority, entitlement (often called “grandiose narcissism”)
- Excessive need for attention — engage in self-promotion, exhibitionism, other attention-seeking behaviors

- Intensely envious — eventually shows as arrogance, schadenfreude (pleasure from others' misfortune), callous disregard for others' feelings, exploitation of others for personal power/status

Psychopathy

- Considered the most sinister of the triad — callously do as they please and take what they want
- Social predators — ruthlessly dominate and manipulate others without empathy or feelings of remorse or anxiety
- Mask of psychopathy — use superficial charm while being selfish self-promoters
- Engage in antisocial, impulsive, and often fraudulent thrill-seeking behavior

Slide 11: Dark Triad and Workplace Behavior

Dark Triad (Machiavellianism, narcissism, psychopathy) are prevalent throughout the workplace

1. Organizational politics
 - Using influence tactics for personal gain at the expense of others and the interests of the entire organization
 - The Dark Triad motivates political tactics because dishonesty and malevolently undermining others are core characteristics
2. Serious white-collar crime activity
 - Significantly predicted by Dark Triad
 - Lesser counterproductive work activities are predicted better by the Big Five
3. Workplace aggression/bullying
 - Significantly predicted by psychopathy
4. Poor decision making
 - Associated with psychopathy — excessive risks due to overconfidence, disregard for consequences
5. Ineffective team behaviors
 - Complex effect — helpful in short-term to gain favors, but long term distrust coworkers and focus on their own goals at the expense of team goals

Dark Triad may have some positive outcomes

- Manipulative political skill — some supervisors rate favorably — can result in higher power by gaining more central positions

- Narcissistic CEOs — higher direct pay — higher pay gap from other executives
- Overall psychopathy personality is negatively associated with career success, but some experts note career success of those with Psychopathy element “fearless dominance”

Slide 12: Jungian Personality Theory and MBTI

Swiss psychiatrist Carl Jung proposed that personality is primarily represented by the individual's preferences regarding perceiving the environment and judging (obtaining and processing) information

Myers-Briggs Type Indicator (MBTI) — estimates Jungian personality types

Extroversion versus introversion (E – I)

- Similar to five-factor dimension

Perceiving information (S – N)

- Sensing – perceiving information directly through the five senses to acquire factual and quantitative details
- Intuition – relies on insight and subjective experience

Judging, i.e., making decisions (T – F)

- Thinking – rely on rational cause-effect logic and systematic data collection to make decisions
- Feeling – rely on emotional responses to the options as well as how those choices affect others

Orientation toward the outside world (P – J)

- Perceiving – open curious, flexible, adapt spontaneously to events, prefer to keep options open
- Judging – prefer order and structure; want to resolve problems quickly

Slide 13: Evaluating the MBTI

Most widely used personality test

Most widely studied measure of cognitive style

Adopts a neutral view of score results (higher vs. lower are different, not better or worse)

Improves self-awareness and mutual understanding — i.e., good for career counseling and executive coaching

Poor at predicting job performance, effective leadership, or team development

Slide 14: Values in the Workplace

Stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations

- Define right/wrong, good/bad
- Tell us what we “ought” to do (moral compass)
- Direct our motivation and, potentially, our decisions and behavior
- Provide justification for past decisions and behavior

Value system — hierarchy of values preferences — relatively stable, long-lasting

Values exist within individuals, but OB also refers to shared values within a team, department, organization, profession, and society

Values differ from personality traits

- Values are evaluative (what we ought to do); personality traits are descriptive (what we tend to do)
- Values conflict with each other (e.g., valuing excitement conflicts with valuing stability); personality traits have minimal conflict
- Values affected more by nurture (socialization, reinforcement) than nature (heredity); personality about equally affected by nature and nurture

Slide 15: Schwartz’s Values Model

Dominant model of personal values was developed and tested by social psychologist Shalom Schwartz and many others

57 specific values cluster into 10 broad value categories — further clustered into four quadrants

Openness to change

- Motivated to pursue innovative ways

Conservation

- Motivated to preserve the status quo

Self-enhancement

- Motivated by self-interest

Self-transcendence

- Motivated to promote the welfare of others and nature

Slide 16: Importance of Values at IKEA

IKEA describes itself as a values-driven company, so job applicants need to reflect on whether their personal values are congruent with the global retailer's organizational values.

Slide 17: How Values Influence Decisions and Behavior

Directly motivate behavior by affecting the relative attractiveness (valence) of the choices available — more positive feelings toward choices consistent with our values

Indirectly motivate behavior by framing perceptions — influence whether we notice something and how we interpret it

Motivated to act consistently with self-concept and public self — values are part of our identity and image

Slide 18: When Values Don't Predict Behavior

- Situational factors — barriers or lack of opportunity — e.g., more difficult to be environmentally friendly if no recycling facilities
 - Counter-motivational forces — coercion from others (threat of job loss) motivates people to engage in unethical business activities
 - Lack of values awareness (salience) — we often ignore values in our decisions/actions because:
 - (A) Values are abstract (difficult to link to specific behavior)
 - (B) Behavior is often routine, so less mindful of consistency with personal values
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Slide 19: Values Congruence*

Values congruence — how similar a person's values hierarchy is to the values hierarchy of the organization, a co-worker, or another source

Congruence with team values — higher team cohesion and performance

Congruence with organization's values — higher job satisfaction, loyalty, and organizational citizenship, lower stress and turnover

* Note: We use "values congruence" (plural, NOT "value congruence") because values operate as a set, not individually. Also, "value" is easily confused with the economic concept of worth of something relative to price

Slide 20: Ethical Values and Behavior

Ethics — the study of moral principles or values that determine whether actions are right or wrong and outcomes are good or bad

Four Ethical Principles

- Utilitarianism
 - Seek greatest good for the greatest number of people — highest overall satisfaction to those affected
 - Problem: Cost-benefit analysis — many outcomes aren't measurable
 - Problem: Focuses on the consequences, but means of achieving those consequences could be immoral
 - Individual rights principle
 - Everyone has same natural rights — moral norm of society, not just legal rights — e.g., freedom of speech
 - Problem: conflicting rights — e.g., shareholders' right to be informed conflicts with executive's right to privacy
 - Distributive justice principle
 - Benefits and burdens similar individuals should be the same; otherwise should be proportional — e.g., those who contribute equally in their work should receive similar rewards; those who contribute less should receive lower rewards
 - Inequalities are acceptable when they benefit the least well off
 - Problem: difficult to agree on "similar" rewards and contributions and what factors in reward distribution are "relevant"
 - Ethic of Care
 - Caring for others is a fundamental characteristic of humanity
 - Everyone has a moral obligation to help others within their relational sphere to grow and self-actualize
 - This principle emphasizes partiality, whereas other principles value impartiality
 - Includes being attentive to others' needs, showing responsibility for others, giving care to others, having empathy for others
 - Core concept in stakeholder theory and servant leadership
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Slide 21: Moral intensity and Ethical Conduct

The degree that an issue demands the application of ethical principles

High moral intensity — strong ethical implications, so need to more carefully apply ethical principles

Moral intensity higher when:

- Decision has substantially good or bad consequences
- High agreement among others that outcomes are good-bad (not diverse beliefs)
- High probability that good-bad outcomes will occur from the decision
- Many people will be affected by the decision

Slide 22: Moral Sensitivity and Ethical Conduct

A person's ability to detect a moral dilemma and estimate its relative importance

More quickly and accurately estimate an issue's moral intensity

Not more ethical behavior, just better awareness of a moral situation

Moral sensitivity is higher in people with:

1. Expertise/knowledge of prescriptive norms and rules — e.g., expertise in accounting
2. Past experience with specific moral dilemmas — internal cues develop to trigger awareness when moral issue arises again
3. More empathy — more sensitive to the needs and situation of others
4. A self-view as an ethical person — put more energy into maintaining ethical conduct
5. Mindfulness — receptive and impartial attention to and awareness of the present and to own thoughts and emotions in that moment — higher moral sensitivity by monitoring the environment
 - ➔ Higher moral sensitivity by monitoring the environment
 - ➔ Problem: natural tendency to minimize effort, so less mindfulness

Situational factors (including opportunity and motivational forces) also influence people to act contrary to moral principles and personal values

Slide 23: Supporting Ethical Behavior

Corporate code of ethics

- Describe firm's desired practices, rules of conduct, and philosophy in relations with stakeholders and environment
- Problem: Limited effect on ethical conduct

Educate and evaluate employee knowledge of ethical conduct (e.g., knowledge of ethics code, desired ethical behavior in various situations)

Systems for communicating and impartially investigating wrongdoing

- Confidential ethics hotlines and websites
- Ethics ombudspersons
- Ethics audits

Ethical culture and ethical leadership

- Firm's values aligned with ethical conduct
 - Ethical conduct and vigilance of corporate leaders — role model ethical standards
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Slide 24: Cross-Cultural Differences at Beam Suntory

Suntory Holdings Ltd. CEO Takeshi Niinami recognized that differences in cross-cultural values could be a concern when the Japanese beverage company acquired Jim Beam, which makes Bourbon in Kentucky

Slide 25: Individualism

Emphasize independence and person uniqueness

Value personal freedom, self-sufficiency, control over one's life, and unique personal qualities

Country examples:

- High: United States, Chile, Canada, South Africa
 - Medium: Japan, Denmark
 - Low: Taiwan, Venezuela
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Slide 26: Collectivism

Value duty to groups to which we belong and to group harmony

Define by group memberships, emphasize personal connection to others in in-groups, and value goals and well-being of people within those groups

Note: Contrary to popular belief, individualism is not the opposite of collectivism – the two concepts are unrelated (both horizontally and vertically)

Country examples:

- High: Israel, Taiwan
- Medium: India, Denmark
- Low: United States, Germany, Japan

Slide 27: Power Distance

Extent to which people accept unequal distribution of power in a society

High power distance

- Accept and value unequal power
- Value obedience to authority
- Comfortable receiving commands from superiors without consultation
- Prefer to resolve conflicts through formal rules rather than directly

Low power distance

- Expect relatively equal power sharing
- View relationship with boss as interdependent, not dependence
- Expect power sharing and consultation in decisions affecting them

Country examples:

- High: India, Malaysia
- Medium: United States, Japan
- Low: Denmark, Israel

Slide 28: Uncertainty Avoidance

Degree to which people tolerate ambiguity or feel threatened by ambiguity and uncertainty

High uncertainty avoidance

- Feel threatened by ambiguity and uncertainty
- Value structured situations, clear documentation, direct communication

Low uncertainty avoidance

- Tolerate ambiguity and uncertainty

Country examples:

- High: Belgium, Greece
 - Medium: United States, Norway
 - Low: Denmark, Singapore
-

Slide 29: Achievement-Nurturing

Competitive versus cooperative view of relations with other people

High achievement orientation

- Value assertiveness, competitiveness, materialism
- Appreciate people who are tough, who favor acquisition of money/material goods

High nurturing orientation

- Emphasize relationships and the well-being of others
- Focus on human interaction and caring, not competition/personal success

Country examples:

- High: Austria, Japan
 - Medium: United States, Brazil
 - Low: Sweden, Netherlands
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Slide 30: Cultural Diversity within the United States

Deep-level diversity across ethnic and regional groups

Ethnic values diversity

- Higher individualism among African Americans (compared to Americans with European, Hispanic, Asian origins) Americans
- Asian Americans have lowest individualism among these demographic groups

Regional variations in collectivism

- Highest: southern states, California, Hawaii
- Lowest: Mountain, Northwest, and Great Plains states

Regional variations in openness to experience (personality factor)

- Highest: New England, Middle Atlantic, and Pacific regions
- Lowest: Great Plains, midwestern, southeastern states

Regional variations in neuroticism (personality factor)

- Highest: Northeast and Southeast
- Lowest: Midwest and West

Regional variations seem to be caused by:

- Regional institutions (local governments, educational systems, religious groups) — affect socialization practices and social controls (cultural tightness)
- Regional migration — people migrate to places that are more compatible with their values and self-views
- Physical environment — landscape has limited effect, regional migration has greater effect on regional variations



SOLUTIONS TO CRITICAL THINKING QUESTIONS

- 1. Studies report that heredity has a strong influence on an individual's personality. What are the implications of this influence in organizational settings?**

There are a number of issues that students might—and should—raise in response to this question. First, the strong effect of heredity suggests that applicant selection is an important way to improve job performance and employee well-being (by ensuring their work matches their personality). Although we might try to change an employee's style of behavior, the person's inherent style is strongly determined already. This is why many companies refer to “hire for attitude, train for skill.”

A second implication is that training for some types of behavior (fun-oriented, detailed, talkative, etc.) might be less successful than employers assume. It would be better to transfer people into jobs that more closely match their personality.

- 2. All candidates applying for a management trainee position are given a personality test that measures the five dimensions in the five-factor model. Which personality traits would you consider most important for this type of job? Explain your answer.**

The textbook provides information about how much each Big Five personality dimension is associated with various forms of behavior and performance. All five personality dimensions predict employee performance and related behaviors to some extent, but three dimensions probably apply best to managerial roles.

First, conscientiousness (especially industriousness and dutifulness) and extraversion (especially assertiveness) is important because it is the best predictor of proficient task performance in almost every job group. Various studies have reported that conscientious employees set higher personal goals for themselves, are more motivated, and have higher performance expectations than do employees with low levels of conscientiousness. They also tend to have higher levels of organizational citizenship and are less likely to engage in counterproductive work behaviors.

Another important personality dimension is extroversion. It is the second best predictor of proficient task performance. Extraverts frame situations as challenges. They are also comfortable interacting with and influencing people. Extraversion is also one of the strongest personality predictors of predicts both adaptive and proactive performance. All of these factors—proficient, adaptive, proactive task performance, organizational citizenship, low counterproductive behavior, comfortable in social and influence situations—make extraversion an important personality dimension to consider for managerial positions.

Emotional stability (lower neuroticism) is a third personality dimension that students should consider. It is a significant predictor of adaptive task performance, which relates to managerial roles in managing change. Emotional stability is also associated (although only moderately or inconsistently) with task proficiency, organizational citizenship, and counterproductive behaviors. Emotionally stable people also cope better with ambiguous situations, which applies to managers in more strategic roles.

- 3. As head of product development for mobile telephones, you are about to hire someone to assist in the human interface features of product design. The nature of this work calls for a creative, “break out of the box” thinker who works well in a team setting. Five short-listed applicants have completed a valid measure of the Big Five personality factors. If these applicants all have similar intelligence and work experience, which Big Five personality factors would best predict job performance (you may select one or more factors). Which Big Five factor would be least relevant? Justify your answer.**

This scenario identifies two specific features desired in job applicants: (a) creativity and (b) team orientation. From these two criteria we can identify the most important Big Five factors.

Creativity — Openness to experience is by far the most important personality factor associated with creativity. The book states that people with higher openness have more curiosity, imagination, and tolerance of change. The other Big Five factors are not associated as much with this criterion. However, some students might argue that extraversion has some importance because people with higher extraversion are more energetic and assertive, which would be important in jobs where the work has unclear outcomes and likely numerous failures along the way.

Team-oriented — The book points out that employees with relatively high agreeableness tend to be better team members (they are motivated to get along with others). People who are somewhat extraverted and conscientious might also be better team members. Extraverted employees are more comfortable interacting with others, and moderate conscientiousness is associated with the motivated to fulfill one's duties (including helping others). The latter point is noted in the book because conscientiousness predicts organizational citizenship.

4. The Dark Triad is understandably a personality cluster of great concern in organizations. Yet, even though it consists of three socially undesirable personality traits, there is evidence that senior executives are more likely than the rest of us to possess some of these traits. Why would this occur? Does this mean that the Dark Triad isn't so bad after all?

This question calls for recollection of information in the book as well as some speculation about why people are motivated to follow those with Dark Triad characteristics. The book notes that employees with manipulative political skill sometimes receive better performance ratings, including promotions into management. Their motivation to manipulate others also places them in more strategic and central positions in the organization, which increases their potential to enter management positions.

Narcissistic people have an obsessive belief in their superiority and entitlement. These traits produce higher confidence, which people associate with leadership. The sense of entitlement likely motivates narcissistic people to move into leadership roles without the hesitation that others might experience. Those with psychopathic tendencies are self-promoters, which under some conditions can increase their likelihood of entering management positions (due to confidence and persuasion). The "mask of psychopathy" refers to the short-term ability to charm others, which might also open doors to management roles.

This question also leads to open debate about why people follow others. Students will refer to the persons' confidence as a key factor, as well as their associated comfort with being in positions of power and motivation to get ahead in the organizational hierarchy. Students may also note the dark triad personality's tendency to undermine others, which may reduce opposition to management roles. Finally, some students might argue that effective leaders can't be swayed too much by others's opinion of them or how others feel (e.g., leaders need to have moderate or lower agreeableness), and dark triad personality has extreme levels of this insensitivity.

5. This chapter discussed values congruence mostly in the context of an employee's personal values versus the organization's values. But values congruence also relates to the juxtaposition of other pairs of value systems. Explain how values congruence is relevant with respect to organizational versus professional values (i.e., values of a professional occupation, such as physician, accountant, pharmacist).

The textbook explains that values congruence comes in different forms, such as individual with organization and organization with society. This question asks about values congruence between the organization and a professional group (accountants, lawyers, engineers, teachers, etc.). For example, an engineer working for an auto manufacturer may be asked to design a gas tank that minimizes cost beyond established minimum engineering standards. In this case values incongruence may occur because the engineer's profession dictates that public safety be paramount in all design considerations.

6. The CEO and two other executives at an automotive parts manufacturer were recently fired after being charged with fixing prices on several key automotive parts sold to the auto industry. Executives at competing manufacturers face the same charges for also participating in this collusion. Profit margins have come under intense pressure in the industry, which could cause one

or more auto parts firms (possibly this company) to go bankrupt. When the wrongdoing was discovered, most employees involved in product pricing (but not implicated in price fixing) were surprised. The executives were highly respected in their fields of expertise, so many staff members interpreted the unusual pricing decisions as a new strategy, not an illegal activity. Apply your knowledge of personal and ethical values and behavior to explain why the unethical activity may have occurred.

There are two parts to the answer to this question: ethical concepts related to the wrongdoing and the ethical concepts related to how other reacted to the unethical decisions.

Ethical analysis of the wrongdoing — The case notes that these companies are experiencing to lower profit margins and one or more firms could go bankrupt. At least in the short run, these executives could be under tremendous pressure from shareholders to maintain profit margins, which motivates them to do so illegally. Some executives could also be motivated by the prospect of running a business into bankruptcy, which is disastrous for the executive's resumé and the executives would face considerable strife and anger from employees who lose their jobs. Note that these "situational" conditions are actually motivational influences — they do not require or prohibit the executives from engaging in wrongdoing.

Ethical analysis of product pricing employees — The question describes how product pricing employees were surprised when the executives were charged with price fixing. This highlights the low moral sensitivity that the product pricing employees experienced. They failed to detect the moral issue, likely because they had less expertise regarding the prescriptive norms and rules. They would have had core knowledge due to their job expertise, but these employees believed that the executive directives reflected even greater knowledge rather than illegal activity (NOTE: his misunderstanding has actually occurred by employees in some of the most serious incidents of corporate accounting fraud). Students might also argue that staff may have had fairly low mindfulness of price fixing risks in their day-to-day work lives. If they had been more sensitive to the threat of price fixing, some of them may have questioned the executive directives.

7. "All decisions are ethical decisions." Comment on this statement, particularly by referring to the concepts of moral intensity and moral sensitivity.

This sweeping statement is false. For a decision to have an ethical dimension it has to have some moral intensity associated with it. Moral intensity is a characteristic of the situation. It refers to the degree to which an issue demands the application of ethical principles. "Who should be laid off?" would have high moral intensity. On the other hand, a decision to take an umbrella to work because it might rain has no moral intensity. This is because morally intense issues involve others in the society who may think the decision is good or evil, or the issue quickly affects people.

Moral sensitivity refers to a characteristic of the decision maker, not the situation. Faced with the same issue, two decision makers may be more or less moral sensitive. This means that people differ in their ability to recognize the presence and determine the relative importance of an ethical issue.

Moral intensity and moral sensitivity are different, but they go hand-in-hand. An issue with high moral intensity might be decided without the required ethical consideration because the decision maker doesn't recognize its ethical importance (i.e., the person has low moral sensitivity). Thus, both concepts are important factors in the extent to which we apply ethical principles to issues.

8. People in a particular South American country have high power distance and high collectivism. What does this mean, and what are the implications of this information when you (a senior executive) visit employees working for your company in that country?

In high power distance cultures, people tend to accept the power differential which exists in their society. This extends to the workplace as well. I would expect the employees to address me by my surname. I would not interpret this as being aloof or unfriendly. The social interchange between the employees and I would be formal.

High collectivism would encourage me to celebrate the achievements of everyone as a group. Any discussion would emphasize and focus on improving or maintaining group harmony and teamwork.



CASE STUDY: SNC-LAVALIN GROUP INC.

Case Synopsis

SNC-Lavalin (SNCL), one of Canada's largest engineering and construction firms, was the focus of one of North America's most serious corporate investigations and charges of bribery and related unethical activities in contract bidding. Many SNCL executives face charges of criminal activity, and the World Bank imposed a decade-long ban against the company from bidding on contracts that it funds. The case describes some of the specific bribery activities and explanations by various employees involved in the wrongdoing.

Suggested Answers to Case Questions

1. Explain how moral sensitivity and moral intensity apply to the unethical behavior among several SNC-Lavalin executives and other staff.

This is a very interesting question that should prompt considerable debate among students. Many students will quickly proclaim that most employees have sufficient moral sensitivity to recognize the seriously unethical nature of their actions. But moral sensitivity among SNCL employees and executives may actually be quite varied. One factor is SNCL's culture, which apparently viewed bribery as a normal part of doing business. When many people around you consider the activity as "everyone does it," then the affected executives are likely desensitized to the severity of their actions. Employees further down the hierarchy also referred to "project consultancy costs" as a normal part of many contracts, even though those budget items were, in fact, bribery funds. Although less evident in the case, it is also possible that some employees were unaware that specific activities were a form of bribery or related wrongdoing. This chapter notes that employees fail to recognize many ethical violations because they don't pay attention to those who are assumed to have high ethical standards. It is therefore possible that some employees had low moral sensitivity regarding some of their actions because they assumed the executives issuing these actions knew how to operate the business ethically. This lack of sensitivity also relates to the idea that some employees lacked sufficient expertise to know that their actions were wrong.

SNCL's bribery, money laundering, and other activities definitely had high moral intensity—they were serious violations of ethical and legal principles. However, it is worth reviewing specific bribery incidents (real or hypothetical) against the for criteria determining the level of intensity. In some instances, students might imagine how SNCL executives and employees can personally distort their beliefs about the moral intensity of some actions. For example, they might justify these actions on the grounds that SNCL is the best bidder in the process and that the bribe is a small price for the contract provider to pay for ensuring SNCL gets the job.

2. This case describes several incidents of unethical and illegal behavior at SNC-Lavalin. To what extent did motivation, ability, role perceptions, and situation (i.e., MARS model from Chapter 1) influence this behavior among executives and employees? How did the personal values of these people affect their actions?

The MARS model is well-suited to this case because it provides a framework for the four direct predictors of individual behavior and performance:

Motivation — Several motivational forces are identified in this case. Senior executives seem to be under pressure to maintain successful contracts, so they turn to bribery to increase their chances of success. At least one executive also pocketed some of the bribery funds, which is a strong financial incentive for such bribery. Lower level employees are motivated by the consequences of refusing to engage in the wrongful activities (i.e., being fired or having limited promotion opportunities). The case also states that there was a culture of wrongdoing, that is, SNCL executives had norms that accept bribery as a normal part of doing business. These norms support (motivate)

bribery activity or, at least, suppress any motivational forces to curtail such activity. Finally, there seems to be some indication of

Ability — Some SNCL executives seem to be highly skilled at bribing government officials. In particular, one SNCL executive had developed considerable skill at nurturing favors from the former Libyan dictator's son. Several contracts from Africa and Montreal involved kickbacks that were so well hidden—the bribery activity occurred for more than a decade—that several other SNCL staff members also must have acquired strong skills in this type of activity.

Role perceptions — SNCL executives and employees were certain that their actions were illegal. However, the alleged bribery culture may have created role expectations in key people that this is a normal part of their job.

Situational factors — We don't have much information about the circumstances surrounding SNCL's business. However, it seems likely that this industry is highly competitive with regard to being awarded large contracts. SNCL is also a publicly-traded company, so shareholders may have put pressure on executives to maintain their strong performance. Some students might refer to the lack of legal safeguards either in the company or in contract awards. These safeguards can be situational in the sense that they catch wrongdoing while it occurs. But to a greater extent, safeguards—and the lack of them—is a factor in motivation (probably of being successful with bribery motivates that activity).

3. What steps should SNC-Lavalin and other companies in this situation take to minimize these types of corporate wrongdoing?

This is an open question for discussion, but it should review the various ways described in this chapter to support ethical behavior in the workplace. For example, students will recognize that introducing a code of conduct would be a first step, but will hardly have any effect on changing the situation. (NOTE: Although not stated in the case, SNCL had a code of conduct throughout much of the time when bribery was rampant. Furthermore, the Canadian Institute of Chartered Accountants awarded SNCL seven excellence in corporate governance awards over the decade during which the worst illegal activities were occurring!)

Ultimately, most students will refer to the need for a more ethical culture and ethical leadership. But how can that leadership and culture get instilled in a company that apparently had such a deep foundation of bribery? Will the removal of the CEO and most vice-presidents (which did occur) provide an opportunity for ethical leaders to step in? To some extent, the answers to these and other questions require deeper knowledge about leadership, organizational change, and organizational culture, which are discussed in later chapters of the book. It may be an excellent learning opportunity to revisit this case after one or more of those later chapters are covered in the course.



CLASS EXERCISE: WHICH BIG FIVE FACTORS FIT SPECIFIC OCCUPATIONS?

Purpose

This exercise is designed to help you think about and understand how the Big Five personality factors are associated with the motivational and situational requirements of specific occupations.

Instructions (Large Class)

Below are two sets of questions relating to the Big Five personality factors and various occupations. Answer each of these questions, relying on your knowledge of the five-factor model of personality and their relationship to job performance generally. Later, your instructor will show you answers based on scholarly results.

Instructions (Small Class)

Below are two sets of questions relating to the Big Five personality factors and various occupations. Working in small teams, answer each of these questions, relying on your team's knowledge of the five-factor model of personality and their relationship to job performance generally. Be prepared to explain your decisions and select a spokesperson if the instructor asks specific teams to present their answer. During the debriefing, your instructor will show you answers based on scholarly results. (*Note:* The instructor might create a friendly competition to see which team has the most answers correct.)

Exercise Answers

- You have been asked to select job applicants for a nine-month over-winter assignment working in an Antarctic research station with a dozen other people. Assuming that all candidates have equal skills, experience, and health, identify the level of each personality dimension that would be best for people working in these remote, confined, and isolated conditions.**

Answer:

Conscientiousness — average (but possibly below average relating to high tolerance to lack of achievement and low need for order)

Agreeableness — above average

Neuroticism — low (relatively high emotional stability) (this seems to be the most significant factor)

Openness to experience — above average, but ambiguous findings because also high tolerance of lack of stimulation and does not become bored easily

Extroversion — below average (i.e., moderately introverted and low need for social interaction, “but socially adept”)

Sources: Musson, D. M., Sandal, G. M., Harper, M., & Helmreich, R. L. (2002). Personality testing in antarctic expeditioners; cross cultural comparisons and evidence for generalizability, 53rd International Astronautical Congress, The World Space Congress. Houston: International Astronautical Federation; Sarris, A. (2006). Personality, Culture Fit, and Job Outcomes on Australian Antarctic Stations. *Environment and Behavior*, 38(3), 356-372; Palinkas, L. A., & Suedfeld, P. (2008). Psychological effects of polar expeditions. *The Lancet*, 371(9607), 153-163.

2. Listed below are several jobs. Please check no more than two personality dimensions that you believe are positively associated with preferences for each occupation.

Answer:

Budget analyst: conscientiousness

Corporate executive: extroversion

Engineer: openness to experience

Journalist: openness to experience

Life insurance agent: extroversion

Nurse: extroversion and agreeableness

Physician: extroversion and agreeableness

Production supervisor: conscientiousness

Public relations director: openness to experience

Research analyst: openness to experience

School teacher: extroversion and agreeableness

Sculptor: openness to experience

Sources: Furnham, A., (2001) "Vocational preference and P-O fit: Reflections on Holland's Theory of Vocational Choice," *Applied Psychology: An International Review*, 50 (1), pp. 5-29; Tett, Robert P., and Dawn D. Burnett. "A personality trait-based interactionist model of job performance." *Journal of Applied Psychology* 88, no. 3 (2003): 500-517; Barrick, M. R. Murray R., M. K. Michael K. Mount, and R. Rashmi Gupta. "Meta-analysis of the relationship between the five-factor model of personality and Holland's occupational types." *Personnel Psychology* 56, no. 1 (2003): 45.

NOTE: There is ongoing debate regarding the association between vocational preference and personality. Sullivan & Hanson (2004) report that specific traits within the Big 5 factors (such as enthusiasm and sociability traits within the extraversion factor) are better predictors of vocational interest than are the overall factors.

Assignment of some of these personality dimensions to specific occupations may be based on limited data. Also, although these are identified as the most significant personality predictors, other five-factor dimensions also likely have a significant influence on occupational preferences.



CLASS EXERCISE: PERSONAL VALUES EXERCISE

Purpose

This exercise is designed to help students understand Schwartz's values model and relate its elements to their personal values and the values held by others in the class.

Materials

The instructor needs to prepare the following items prepared before class:

- (a) One student handout per person (handout is on a following page). This handout is the list of 44 personal values. (See Comments for Instructors below for explanation of the 44 rather than 57 values.)
- (b) Three (3) yellow sticky (Post-It) notes for each student
- (c) Three (3) sticky notes in a different (preferably contrasting) color for each student
- (d) One copy (per class, NOT per student) of each of the ten (10) values categories signs. A miniature version of the 10 values categories signs is shown below. A ready-to-print PDF is available on the instructors' resource website. Print each sign in landscape (horizontal) format on 11 by 17 inches (A3) paper for easier readability.

Preparing the Ten Values Category Signs

As indicated in the materials section above, the instructor needs to print one copy (per class, NOT per student) of each of the ten (10) values categories signs. Print each values category sign in landscape (horizontal) format on at least 11 inch by 17 inch (A3) paper for easy readability. These ten pages are posters or signs that students will see on the classroom walls.

Before class, the instructor places the ten large values category signs around the room. These signs must: (a) **be posted around the class room in the same order as Schwartz's values circumplex**, (b) be placed high on the wall so there is plenty of space for posting sticky notes below, and (c) have solid wall space below each sign so sticky notes will adhere. If possible, cover the values category signs with blank paper that can be easily removed when students have finished writing on their six sticky notes.

Place the ten signs around the room in the same order as Schwartz's values circumplex. For example, you might place security, power, and achievement (in that order clockwise) across the front of the class; hedonism and stimulation (in that order clockwise) along the left side wall; self-direction, universalism, and benevolence (in that order clockwise) across the back wall; and conformity and tradition along the right side wall. Of course, the number of values category signs posted on each wall depends on available wall space and student access to that space. Ideally, place signs on all walls and balance the number of signs around the room so students feel they are in the center of a classroom-sized values circumplex.

Place each sign high on the wall. This is so students can see them easily and there is enough space under the sign for students to place their sticky notes (see instructions below). Also, the wall space needs to be solid enough so the sticky notes adhere. If some walls are not suitable (e.g., walls have fabric), white boards or flip chart stands might be used.

If possible, cover each values category sign with blank paper so students can't see the text on each sign. These blank pages are removed quickly after students have written on their six sticky notes (Step #2).

Instructions

Distribute the first three materials (student handout page, three yellow sticky notes, and three sticky notes in the second color) to each student at the beginning of the exercise.

Step 1: Students are asked to pick three (3) of the 44 phrases on the student handout page that represent the MOST important values to them personally. Students print each of the three values on the three yellow-colored sticky notes provided. **IMPORTANT:** Remind students that they print only one value on each sticky note. Also, students do NOT put their name on these sticky notes (i.e., they remain anonymous).

Step 2: From the remaining 41 values statements on the student handout, students pick three (3) that represent the LEAST important values to them personally. Students print each of these three values on three sticky notes of the second color provided. Again, students print only one value on each note, and they do NOT put their name anywhere on the sticky note.

Step 3: When students have completed (or nearly completed) Step #2, the instructor removes the blank pages covering the 10 values category signs (if the signs were covered). Then, the instructor announces the following:

Around the room are ten signs representing the values categories in Schwartz's values circumplex. Each sign names the specific values in your handout associated with that values category. Find the values category signs that list the specific values you printed on each of your six sticky notes. Post your yellow notes (the three most important values) IMMEDIATELY under the signs listing those specific values. Place your sticky notes in the second color (the three least important values) FAR below the corresponding values category signs. The second color sticky notes should be placed far enough below that all of the yellow sticky notes associated with that sign can be placed above the second color notes.

Step 4: Debrief the exercise with discussion about the resulting distribution of sticky notes and the issues students considered when choosing their most and least important values. Consider the following questions:

1. To what extent are the yellow and second color sticky notes clustered around the room? What values categories are they clustered around? What does this clustering mean for the values of people in this room? Do you think this clustering of values represents the values of most people in this department/faculty/program? Why or why not?
2. What do you notice about how you personally or how the class generally placed yellow compared to the second color notes? Are they located near each other or more at opposite sides of the circumplex? Why?
3. What were you thinking about to help you identify the most and least important values from the list? Did you reflect on your emotional feeling about each of them? Did you logically think about how often you use each of these values?
4. Consider the dominant values of the place where you work or do your education. Are the company's/school's values similar to the three most important values you identified here, or are they more in the opposing categories of the circumplex? Have you experienced values incongruence because of these differing values priorities?

Comments for Instructors

This activity has quickly become one of the most popular and engaging classroom events for students. Schwartz's values circumplex comes alive as students pick their most and least important values, then move around the room to post their sticky notes. The debriefing occurs literally "within" the collective reality of that circumplex. Students are fascinated (and sometimes surprised) by the clustering of sticky notes. They think more actively about personal values and the ten categories in the circumplex model.

I have conducted this exercise on three continents (North America, Asia, Australia) and with a wide range of participants (undergraduate students, graduate students, college faculty, executive program participants). All seem to enjoy the experience. Many participants photograph the class results for future reference. This activity is easiest in classes with less than 40 participants and in rooms with plenty of space near the walls. However, I have conducted it in a large lecture theatre with more than 100 participants. I have also conducted it where only some walls were useable (due to fabric on walls, lack of space between the wall and seating, or obstructing pillars).

The setup isn't as complex or difficult as it may seem. Just be sure to arrive well before class to tape/stick tack the ten values categories signs around the room in the right order (have a copy of Schwartz's model handy so you get them in the right order!). I tape a blank page (Letter/A4 size is enough) over the text of each large sign because students might be influenced if they see the information on the signs.

In Step #3, as I verbally give students the instructions to post their notes, I pull the blank pages off to reveal the text on the ten signs. I also provide a small demonstration—I put a yellow sticky note immediately under one of the signs and put a second color note further below that sign. This shows that the second color notes need to leave space above for any yellow sticky notes that others will post there. However, you might need to move some sticky notes around during the activity where students didn't leave space or misunderstood this instruction.

The class debriefing is almost always a delight. (At worst, students need debriefing questions to help them see the information and issues.) The yellow and second color sticky notes always cluster in some meaningful way. Achievement, self-direction, and benevolence tend to receive the most yellow sticky notes among business students and faculty (across all countries). Conformity, tradition, and hedonism seem to attract the most second color (least important values) sticky notes. I have not tried this activity with a non-business audience (e.g., engineering, fine arts), but I suspect the clusters would be noticeably different. One of the most interesting surprises is that "tradition" is consistently identified (in almost a dozen events) as one of the LEAST important values among business students and faculty in mainland China. Participants explain that (a) business students and faculty aren't representative of the population in China and/or (b) what people believe in and value (e.g., self-direction) can differ from what society expects of them (e.g., tradition).

An important observation during the debriefing is how sticky notes differ in the opposing categories. For example, "self-direction" tends to receive a large number of "most important" (yellow) sticky notes whereas the opposing categories of security, conformity, and tradition either receive few yellow notes or have several notes of the other color (least important values). Similarly, "benevolence" receives many yellow sticky notes, whereas the opposing categories of stimulation and hedonism tend to attract more notes of the opposite color. While observing results, it can help to notice if the same specific values are listed in a cluster. For instance, most yellow notes under "Achievement" might state "capable" whereas few state "influential" or "ambitious."

The debriefing should also remind students that the 2nd color sticky notes merely indicate the least important values to participants. They may still consider their three least important values as important. Therefore, it would be incorrect to say that a values category with mostly 2nd color (least important values) sticky notes are disliked or rejected by participants. Rather, they are weighted much less than the other values categories when making decisions about right/wrong and good/bad.

Finally, students might wisely ask: why does the handout list 44 values when Schwartz's model is based on 57 values? The answer is that Schwartz identified 44 values that fit squarely in each category. The other 13 values are also mostly associated with one category, but not as clearly as these 44 values. Therefore, we offer only the 44 values with the clearest fit into the ten values categories.

STUDENT HANDOUT: PERSONAL VALUES ACTIVITY

Instructions

This page has 44 words or phrases representing different personal values. Pick **THREE (3)** of these that represent the **MOST** important values to you personally. Print each of the three values on three **YELLOW** colored sticky/post-it notes (i.e., one value on each note).

From the remaining values on this page, pick **THREE (3)** of these that represent the **LEAST** important values to you personally. Print each of the three values on three sticky/post-it notes provided in the **SECOND COLOR** (i.e., one value on each note).

The instructor will next advise you what to do with the six sticky notes on which you wrote your most and least important values.

a varied life	independent
a world of beauty	influential
ambitious	loyal
an exciting life	moderate
authority	national security
broadminded	obedience
capable	pleasure
choosing own goals	politeness
clean	preserving my public image
creativity	protecting the environment
curious	reciprocation of favors
daring	respect for tradition
devout	responsible
enjoying life	self-discipline
equality	self-indulgent
family security	social justice
forgiving	social order
freedom	social power
helpful	successful
honest	unity with nature
honoring parents and elders	wealth
humble	wisdom

FOR INSTRUCTORS ONLY: This page shows miniature versions of the ten values categories signs that you will place around the classroom. Each category should be on a large page (at least 11 by 17 inches or A3). The instructors' website for this book usually includes a PDF with these ten signs ready to print. If the PDF is unavailable, copy each cell below to a separate landscape (horizontal) oriented page in your preferred word processing software, clean up formatting, and set the print function output to 11 inch by 17 inch (A3) size. The values category label should be in large bold text and the specific values should be listed below the label in somewhat smaller text (as shown below).

<p>POWER</p> <p>authority preserving my public image social power wealth</p>	<p>ACHIEVEMENT</p> <p>ambitious capable influential successful</p>
<p>HEDONISM</p> <p>enjoying life pleasure self-indulgent</p>	<p>STIMULATION</p> <p>a varied life an exciting life daring</p>
<p>SELF-DIRECTION</p> <p>choosing own goals creativity curious freedom independent</p>	<p>UNIVERSALISM</p> <p>a world of beauty broadminded equality protecting the environment social justice unity with nature wisdom</p>
<p>BENEVOLENCE</p> <p>forgiving helpful honest loyal responsible</p>	<p>TRADITION</p> <p>devout humble moderate respect for tradition</p>
<p>CONFORMITY</p> <p>honoring parents and elders obedience politeness self-discipline</p>	<p>SECURITY</p> <p>clean family security national security reciprocation of favors social order</p>



TEAM EXERCISE: ETHICS DILEMMA VIGNETTES

Purpose

This exercise is designed to improve student awareness of the ethical dilemmas people face in various business situations, as well as the competing principles and values that operate in these situations.

Instructions (Small Class)

The instructor will form teams of four or five students. Team members will read each case below and discuss the extent to which the company's action in each case was ethical. Teams should be prepared to justify their evaluation using ethics principles and perceived moral intensity of each incident.

Instructions (Large Class)

Working alone, students read each case below and determine the extent to which the company's action in each case was ethical. The instructor will use a show of hands to determine the extent to which students believe case represents an ethical dilemma (high or low moral intensity), and the extent to which the main people or company in each incident acted ethically.

Comments for Instructors

There is, of course, no right answer to this exercise, but the process and application of ethics principles is important in the discussion. Students tend to get into debates about the merits and problems with each activity, but they also should dig deeper into the three ethics principles, and the moral intensity of each issue. Here are each of the vignettes along with background and comments:

Case One

A large multinational grocery chain that emphasizes healthy lifestyles is recognized as one of the nation's "greenest" companies and is perennially rated as one of the best places to work. Full-time and longer-service part-time staff receive health insurance coverage. Most employees receive a 20 percent discount on company products. Employees who participate in the company's voluntary "Healthy Discount Incentive Program" receive up to another 10 percent discount on their purchases (i.e., up to a total 30 percent discount). These additional discounts are calculated from employees' blood pressure, total cholesterol (or LDL) levels, Body Mass Index (BMI), and nicotine-free lifestyle. For example, the full additional 10 percent discount is awarded to those who do not use nicotine products, have 110/70 or lower blood pressure, have cholesterol levels under 150, and have a BMI of less than 24. Employees do not receive the additional discount if they use nicotine products, or have any one of the following: blood pressure above 140/90, cholesterol of 195 or higher, or BMI of 30 or higher. In his letter to employees when announcing the plan, the CEO explained that these incentives "encourage our Team Members to be healthier and to lower our healthcare costs."

Comments to instructors: This case describes information about the health incentive program at Whole Foods, which led to considerable controversy on several fronts. One of the main concerns is that the incentive is unfair because to some degree a person's weight (as well as blood pressure and cholesterol, which are also considered in the incentive) is beyond their control due to heredity or metabolism. One human rights expert pointed out the incentives should apply only to conditions over which people have considerable control. Human rights advocates go one step further; they claim the Whole Foods incentive program is unfair discrimination because obesity is a disability (at least in some circumstances). Another concern is that the Whole Foods incentive relies on BMI (body-mass index), a century-old measure that has been criticized for its poor measurement of obesity. Whole Foods CEO John Mackey acknowledged

the limitations of BMI and other measures used, but dismissed the issue by saying that “they do have the virtues of being relatively good, easy to measure and not too expensive to monitor.” (See C. Tobias, “Whole Foods Controversy,” *Canadian Business*, May 2, 2011; L. Sloane, “Why Whole Foods Wellness Program Hurts Employees: An Open Letter,” *Psyched in San Francisco*, December 14, 2015; <http://www.psychedinsanfrancisco.com/>)

Case Two

A 16-year-old hired as an office administrator at a small import services company started posting her thoughts about the job on her Facebook site. After her first day, she wrote: “first day at work. omg!! So dull!!” Two days later, she complained “all i do is shred holepunch n scan paper!!! omg!” Two weeks later she added “im so totally bord!!!” These comments were intermixed with the other usual banter about her life. Her Facebook site did not mention the name of the company where she worked. Three weeks after being hired, the employee was called into the owner’s office, where he fired her for the comments on Facebook and then had her escorted from the building. The owner argues that these comments put the company in a bad light, and her “display of disrespect and dissatisfaction undermined the relationship and made it untenable.”

Comments to instructors: This case occurred at a small industrial services business in the United Kingdom (see: A. Levy, “Teenage office worker sacked for moaning on Facebook about her “totally boring” job,” *Daily Mail*, February 26, 2009). However, there are several similar cases involving Facebook, blogs, and other social media, where employees write negative comments about their employer. For example, this incident parallels two earlier cases in which (a) a Starbucks employee was fired for complaining about his boss’s decision on a work issue and (b) an employee who worked in marketing for government in northern Canada was fired for posting artistic photos of garbage in the snow. To some people, the case of the teenage Facebook complainer is a clear case of an employee who should be dismissed because she lacks sufficient commitment to and appreciation of the job. The company owner later explained to media: “We were looking for a long-term relationship with Miss Swann as we do with all our staff. Her display of disrespect and dissatisfaction undermined the relationship and made it untenable.” But others would say that the owner’s activities were unethical because (a) the owner was snooping on the employee’s private communication (although obviously open for others to read), (b) her statements may have been an accurate reflection of the work, (c) there is no evidence that her work performance was undermined by her statements or attitude, and (d) she did not name the company when writing these negative comments. To add interest to this class activity, look for the YouTube video in which the fired employee is interviewed. (Note: A news segment on this incident might still be available on YouTube.)

Case Three

The waiter at a café in a large city mixed up Heidi Clarke’s meal order with the meal that a male customer at a nearby table had requested. The two strangers discovered the mistake and briefly enjoyed a friendly chat while swapping plates. The male patron departed soon after but accidentally left his new tuxedo jacket behind on his chair. Clarke wanted to meet him again, so she took the jacket home. Following a friend’s suggestion, Heidi launched a YouTube video and website, in which she shyly told her story, detailed the jacket’s features, and prominently displayed a label with the name of a popular fashion retailer. The website even included photos of Heidi posing in the jacket. The next day, she gave the café staff the jacket and a note with her name and phone number. Heidi’s YouTube video soon went viral, her website crashed from so many visitors, and a major newspaper and television station featured Heidi’s quest to find the man with the missing jacket. The incident is a romantic reversal of the Cinderella story ... except it was a fake event staged by a marketing company. “Heidi” is an actress and model hired by the marketer to promote the fashion retailer’s new line of jackets for men. A partner at the marketing firm justified the hoax by saying that “when you’ve got a very well-established brand you need to do something that’s got talkability and intrigue to reassess what that brand is about.” The marketing executive argued that this was an acceptable marketing event because “nobody’s been harmed” and the firm intended to eventually reveal the truth. Indeed, the actress (whose real name is Lily, not Heidi) released a second video acknowledging that the incident was fake and explaining that she’s a hopeless romantic who loves a good love story.

Comments to instructors: This case occurred in Sydney, Australia in 2009. The marketing firm claims that the event captured considerable attention, the truth would have been revealed soon afterwards, and “nobody’s been

harmed". Yet a few commentators subsequently discussed this event on the basis of its questionable ethics. Students should examine the moral intensity of this hoax. First, did it have substantially good or bad consequences? Some may argue that the event reduced trust in social media and, indeed, in marketing firms. Others support the marketer's claim that no one was harmed. Second, do most people consider this activity/hoax as bad or harmless? It may be useful to have a show of hands regarding how much students view the moral intensity of this incident (i.e., negligible, low, medium, high moral intensity). Third, if there are potentially negative consequences, what is the risk that those consequences will occur? Students should consider the issues raised in the first question (e.g., trust unsocial media and in marketing firms) and determine whether any lost trust is long-lasting or brief. Fourth, how many people are affected by this activity? The event was widely publicized as a quirky Cinderella-in-reverse story (instead of a guy finding the woman through the missing glass slipper, the woman tries to find the guy with the lost jacket). As such, it this incident had moral intensity to the extent that a large number of people were aware of and potentially affected by the incident (at least, within Australia). See: C. Marcus, "A lost jacket and a stolen heart," *Sydney Morning Herald*, 18 January 2009;

C. Marcus, "You've been had: Sydney Cinderella's "jacket man" exposed as viral ad," *Sydney Morning Herald*, 20 January 2009; A. Moses, "YouTube jacket hoaxter unveils the truth," *Sydney Morning Herald*, 21 January 2009.

Case Four

Computer printer manufacturers usually sell printers at a low margin over cost and generate much more income from subsequent sales of the high-margin ink cartridges required for each printer. One global printer manufacturer now designs its printers so that they work only with ink cartridges sold in the same region. Ink cartridges purchased in the United States will not work with the same printer model sold in Europe, for example. This "region coding" of ink cartridges does not improve performance. Rather, it prevents consumers and grey marketers from buying the product at a lower price in another region. The company says this policy allows it to maintain stable prices within a region rather than continually changing prices due to currency fluctuations.

Comments to instructors: This case refers to actions by Hewlett Packard (HP). (See David Pringle and Steve Stecklow, "Electronics with borders," *Wall Street Journal*, January 17, 2005, B1.) Students might see both sides of the issue here. Although the sense of freedom to purchase globally may dominate the discussion, some students might agree with the concern that companies are buffeted by currency fluctuations to such an extent that they cannot adapt quickly enough to price changes and shifting supplies with those currency fluctuations. For instance, a large buyer of HP printer ink in Europe might ship much of that ink to the United States if the Euro rises appreciatively against the U.S. dollar, thereby causing a shortage of printer ink in Europe. Others may argue that this supply shift is a small portion of the supply of ink cartridges in most regions, so HP's actions are unfair. In terms of moral intensity, students may realize that few people are affected by HP's restrictions and that it has low proximity (not nearby), so moral intensity is low. In classes where most students believe there is no (or minimal) moral dilemma with HP's actions, I show the newspaper article and ask why the story was on the front business page of a leading newspaper!

Update: HP recently introduced printers that issue failure warnings when non-branded ink cartridges are used, even though the non-HP products work on the printers. HP claims the required use of HP-branded ink (which costs more than luxury perfume per quart or per liter) is to protect its intellectual property in the printer. The rejection of the budget inks occurred after HP issued a firmware update, in some cases long after consumers had purchased the printer and had been using generic ink cartridges (see Z. Kleinman, "HP printers Start Rejecting Budget Ink Cartridges," *BBC News*, September 19, 2016 (<http://www.bbc.com/news/technology-37408173>)).

Case Five

A large European bank requires all employees to open a bank account with that bank. The bank deposits employee paychecks to those accounts. The bank explains that this is a formal policy which all employees agree to at the time of hire. Furthermore, failure to have an account with the bank shows disloyalty, which could limit the employee's career advancement opportunities with the bank. Until recently, the bank has reluctantly agreed to deposit paychecks to accounts at other banks for a small percentage of employees. Now, bank executives want to reinforce the policy. They announced that employees have three months to open an account with the bank or face disciplinary action.

Comments to instructors: This case occurred at Royal Bank of Scotland (RBS). (See “Royal Bank of Scotland Threatens Staff with Disciplinary Action,” *Personnel Today*, 23 March 2007.) This incident is fairly well-balanced with two sides to the story, and students should figure out the conflicting moral principles involved. On the one side, employees should have the freedom to make personal decisions outside work without being influenced unduly by the employer. As union officials mentioned in response to this incident, grocery store employees are free to buy groceries at competitor stores, so why should RBS employees be required to bank with their own bank? Furthermore, there may be a legal issue of whether the bank can refuse to pay employees where they have a standard bank account (even if at another bank). On the other hand, failure to use your own employer’s services is a sign of disrespect and disloyalty where those services are aimed at people similar to the employees. One might argue that failure to open an account at RBS should limit career opportunities because one would expect managers to demonstrate even more loyalty to the company. Perhaps most students would argue against disciplinary action, but a few might notice that employees agreed to this practice when they joined the organization. As such, failure to open a bank account may be a breach of the employment relationship.

SA

SELF-ASSESSMENT 2.1: WHAT IS YOUR BIG FIVE PERSONALITY?

Overview and Instructions

Personality experts have organized the dozens of personality traits into five main dimensions, known as the five-factor or "Big Five" model. Each dimension consists of several specific personality traits that cluster together. Most scholarly research on personality relies on this model, but it is also useful in everyday life as a relatively easy categorization of personalities.

This self-assessment estimates your self-assessed tendencies regarding each of these Big Five personality dimensions. To complete this instrument, indicate the extent to which each of the 40 words listed below accurately or inaccurately describes you. Think of yourself generally or typically, as compared with other persons you know of the same gender and of roughly your same age.

Feedback for the Big Five Personality Measure

This instrument is Saucier's widely used "mini-marker" brief version of the IPIP Big Five personality test. All five scales range from 8 to 72. The feedback currently does not divide scores into specific groups from low to high. However, the following information provides the average score on each personality dimension from a large group of students.

Personality Dimension	Average Score
Conscientiousness	50
Agreeableness	57
Neuroticism	33
Openness to Experience	53
Extraversion	47

SA

SELF-ASSESSMENT 2.2: ARE YOU INTROVERTED OR EXTRAVERTED?**Overview and Instructions**

One of the most widely studied and discussed personality dimensions in the five-factor (Big Five) model of personality is introversion-extraversion. Introversion characterizes people who tend to be quiet, shy, and cautious. Extraversion characterizes people who tend to be outgoing, talkative, sociable, and assertive.

The statements in this scale represent the 10-item introversion-extroversion scale in the International Personality Item Pool. This is the short version, so it estimates overall introversion-extroversion but not specific facets within the personality dimension.

Feedback for the IPIP Introversion-Extraversion Scale

Extroversion characterizes people who are outgoing, talkative, sociable, and assertive. It includes several facets, such as friendliness, gregariousness, assertiveness, activity level, excitement-seeking, and cheerfulness. The opposite of extroversion is introversion, which refers to the personality characteristics of being quiet, shy, and cautious. Extroverts get their energy from the outer world (people and things around them), whereas introverts get their energy from the internal world, such as personal reflection on concepts and ideas. Introverts are more inclined to direct their interests to ideas rather than to social events.

This is the short version of the IPIP Introversion-Extroversion Scale, so it estimates overall introversion-extroversion but not specific facets within the personality dimension. Scores range from 0 to 40. Low scores indicate introversion; high scores indicate extroversion. The norms in the following table are estimated from results of early adults (under 30 years old) in Scotland and undergraduate psychology students in the United States. However, introversion-extroversion norms vary from one group to the next; the best norms are likely based on the entire class you are attending or with past students in this course.

Score	Interpretation
35-40	High extroversion
28-34	Moderate extroversion
21-27	In-between extroversion and introversion
7-20	Moderate introversion
0-6	High introversion



MCGRAW-HILL CONNECT®: MAKING ETHICAL DECISIONS

Type of Activity

Decision Generator

Activity Summary

Read the following case and then use the principle of utilitarianism as your guide to answer the questions. Your correct use of utilitarianism will produce a strategy for addressing the situation that is consistent with this principle

Activity Learning Objective(s)

02-04 Describe four ethical principles and discuss three factors that influence ethical behavior

Concept Review

There are several standards of ethical behavior. The utilitarian standard says the most ethical decision is the one that results in the greatest good for the greatest number of people. The individual rights perspective suggests that basic individual entitlements, such as the right to privacy and freedom of speech, should guide decision making. A third standard is the distributive justice principle which bases benefits and burdens on others depending on the levels of their contributions, in other words, those who contribute the most should receive the most benefits. Ethic of care is a fourth ethical practice to consider, namely being attentive to others' needs, showing responsibility for others, giving care to others, having empathy for others. Consideration of all four standards leads to the best decision making, even though the standards sometimes lead to different decisions.

Many companies try to improve ethical decision making by having a code of ethics and an ethics hotline. While these are important, but the most powerful foundation is a set of shared values that reinforce ethical conduct. This type of culture starts at the top. By acting with the highest standards of moral conduct, leaders role-model the ethical standards that employees are more likely to follow.



MCGRAW-HILL CONNECT®: FIVE-FACTOR MODEL OF PERSONALITY

Type of Activity

Click and Drag

Activity Summary

Personality is an important concept in organizational behavior. Much of what we know about personality in general comes from psychology. Organizational behavior applies that knowledge in business organizations to help predict important outcomes such as performance, creativity, and organizational citizenship behaviors. In this exercise, you'll learn more about one model of personality, the five-factor model. Recognizing personality traits in employees and understanding how those traits match, or don't match, the requirements of certain jobs will make you a more successful manager.

Activity Learning Objective(s)

02-01 Define personality and discuss how the Big Five personality factors relate to workplace behavior and performance.

Concept Review

One of the most widely accepted frameworks of personality is the five-factor model. This model includes the personality dimensions of conscientiousness, agreeableness, neuroticism, openness to experience, and extraversion. Each dimension refers to a different part of an employee's personality. Together, they help explain how an employee tends to interact with others and his or her work environment.