M Organizational Behavior 3rd edition McShane Solutions Manual

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Instructor's Manual to Accompany

M:Organizational Behavior 3/e

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Chapter 2:

Individual Behavior, Personality, and Values

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2 Individual Behavior, Personality, and Values

LEARNING OBJECTIVES

After reading this chapter, students should be able to:

LO1 Describe the four factors that directly influence individual behavior and performance.

LO2 Summarize the five types of individual behavior in organizations.

LO3 Describe personality and discuss how the "Big Five" personality dimensions and four MBTI types relate to individual behavior in organizations.

LO4 Summarize Schwartz's model of individual values and discuss the conditions where values influence behavior.

LO5 Describe three ethical principles and discuss three factors that influence ethical behavior.

LO6 Describe five values commonly studied across cultures.



CHAPTER GLOSSARY

ability — the natural aptitudes and learned capabilities required to successfully complete a task.

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

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.

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

five-factor model (FFM) — the five broad dimensions representing most personality traits: conscientiousness, emotional stability, openness to experience, agreeableness, and extraversion.

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

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.

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

motivation — the forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior.

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

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

organizational citizenship behaviors (OCBs) — various forms of cooperation and helpfulness to others that support the organization's social and psychological context.

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.

role perceptions — the degree to which a person understands the job duties assigned to or expected of him or her.

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).

CHAPTER SUMMARY BY LEARNING OBJECTIVE

LO1 Describe the four factors that directly influence individual behavior and performance.

Four variables—motivation, ability, role perceptions, and situational factors (represented by the MARS acronym)—directly influence individual behavior and performance. Motivation represents the forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior; ability includes both the natural aptitudes and the learned capabilities required to successfully complete a task; role perceptions are the extent to which people understand the job duties (roles) assigned to them or expected of them; situational factors include conditions beyond the employee's immediate control that constrain or facilitate behavior and performance.

LO2 Summarize the five types of individual behavior in organizations.

There are five main types of workplace behavior. Task performance refers to goal-directed behaviors under the individual's control that support organizational objectives. Organizational citizenship behaviors consist of various forms of cooperation and helpfulness to others that support the organization's social and psychological context. Counterproductive work behaviors are voluntary behaviors that have the potential to directly or indirectly harm the organization. Joining and staying with the organization refers to agreeing to become an organizational member and remaining with the organization. Maintaining work attendance includes minimizing absenteeism when capable of working and avoiding scheduled work when not fit (i.e., low presenteeism).

LO3 Describe personality and discuss how the "Big Five" personality dimensions and four MBTI types relate to individual behavior in organizations.

Personality is the relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics. Personality traits are broad concepts about people that allow us to label and understand individual differences. Personality is developed through hereditary origins (nature) as well as socialization (nurture). The Big Five personality dimensions include conscientiousness, agreeableness, neuroticism, openness to experience, and extraversion. Conscientiousness and emotional stability (low neuroticism) predict individual performance in most job groups. Extraversion is associated with performance in sales and

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management jobs, agreeableness is associated with performance in jobs requiring cooperation, and openness to experience is associated with performance in creative jobs.

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

LO4 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 with each other, and are formed more from socialization than heredity. Schwartz's model organizes several dozen 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 when the situation facilitates that connection and when we actively think about our values 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, person, etc.).

LO5 Describe three 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. Three ethical principles are utilitarianism, individual rights, and distributive justice. 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.

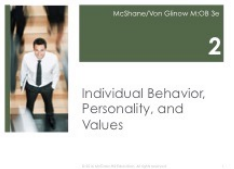
LO6 Describe five values commonly studied across cultures.

Five values commonly studied across cultures are individualism (valuing independence and personal uniqueness); collectivism (valuing duty to in-groups and to 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 vs. cooperation).

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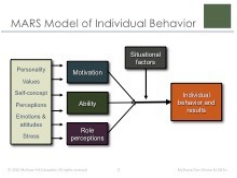
LECTURE OUTLINE (WITH POWERPOINT® SLIDES)



Individual Behavior, Personality, and Values

Slide 1

Individual Behavior, Personality, and Values



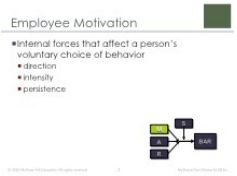
MARS Model of Individual Behavior

Slide 2

MARS Model of Individual Behavior

An individual's voluntary behavior and performance is influenced by motivation, ability, role perceptions, and situational factors represented by the acronym MARS

- Need to understand all four factors to diagnose and influence individual behavior and performance



Employee Motivation

Slide 3

Employee Motivation

Internal forces (cognitive and emotional conditions) that affect a person's voluntary choice of behavior

- Direction – motivation is goal-directed, not random
- Intensity – amount of effort allocated to the goal
- Persistence – continuing the effort for a certain amount of time



Employee Ability

Slide 4

Employee Ability

Natural aptitudes and learned capabilities required to successfully complete a task

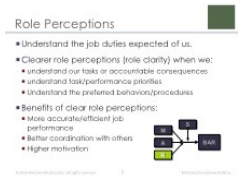
- Aptitudes – natural talents that help people learn specific tasks more quickly and perform them better
- Learned capabilities – skills and knowledge
- Improve performance/wellbeing through person-job matching

Person-job matching occurs by:

1. Selecting applicants with the required abilities
2. Providing training to develop required abilities
3. Redesigning the job so it matches employee's abilities, then introduce more tasks as the employee gains skills

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Role Perceptions
Slide 5

Role Perceptions

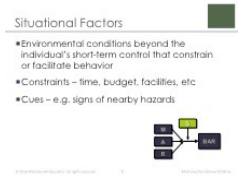
The extent to which people understand the job duties (roles) assigned to or expected of them.

Role perceptions are clearer (role clarity) when we:

- understand which tasks or consequences we are accountable
- understand the priority of tasks and performance expectations
- understand the preferred behaviors/procedures for tasks

Benefits of clear role perceptions:

- More accurate/efficient job performance (due to clearer direction of effort)
- Better coordination with others
- Higher motivation due to clearer link between effort and outcomes



Situational Factors
Slide 6

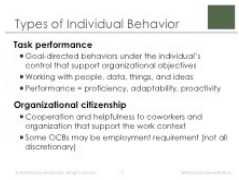
Situational Factors

Environmental conditions beyond the individual's immediate control that constrain or facilitate behavior and performance

- Constraints – e.g. time, budget, work facilities, consumer preferences, economic conditions
- Cues – clarity and consistency of cues provided by the environment to employees regarding their role obligations e.g. lack of signs of nearby safety hazards

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Types of Individual Behavior

Slide 7

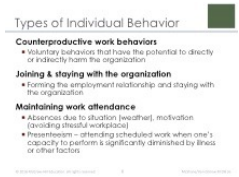
Types of Individual Behavior (five categories)

Task performance

- Goal-directed behaviors under the individual's control that sup- port organizational objectives
- Involve working with people, data, things, and ideas
- Performance includes:
  - ➡ Proficiency -- working efficiently and accurately
  - ➡ Adaptability -- respond to, cope with, and support new circumstances and work patterns
  - ➡ Proactivity -- anticipates and initiates new work patterns aligned with environmental changes

Organizational citizenship behaviors (OCBs)

- Various forms of cooperation and helpfulness to others that support the organization's social and psychological context
- Directed toward:
  - ➡ individuals -- e.g. adjusting work schedule to accommodate coworkers
  - ➡ organization -- e.g., supporting the company's public image
- OCBs are not necessary "discretionary" (i.e. optional) behaviors because:
  - ➡ (a) employees believe some OCBs are part of their job
  - ➡ (b) companies consider some OCBs a condition of employment
- OCBs increase individual/team performance (due to mutual support), but may contribute to work-family conflict and limit career progress



Types of Individual Behavior (cont'd)

Slide 8

Counterproductive work behaviors

- Voluntary behaviors that have the potential to directly or indirectly harm the organization -- e.g. harassing co-workers, creating unnecessary conflict, avoiding work obligations

Joining & staying with the organization

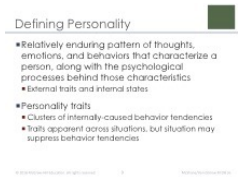
- Forming the employment relationship and staying with the organization

Maintaining work attendance

- Absences due to situation (weather), motivation (avoiding stressful workplace)
- Presenteeism – attending scheduled work when one's capacity to perform is significantly diminished by illness or other factors

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Defining Personality
Slide 9

Personality in Organizations

Defining Personality

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

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

Traits apparent across situations, but situation may suppress behavior tendencies

- e.g. talkative people may talk less in a library where "no talking" rules are explicit and enforced



Nature vs Nurture of Personality
Slide 10

Nature vs Nurture of Personality

Nature: Heredity explains about 50 percent of behavioral tendencies and 30 percent of temperament preferences

- e.g. Minnesota studies found that some types of twins have similar personalities not due to similar environments

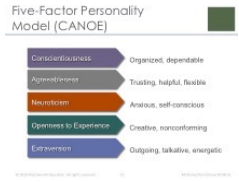
Nurture: Socialization, life experiences, and other interactions with the environment also affect personality

Personality stabilizes in young adulthood (about age 30, possibly older)

- We form a clearer and more rigid self-concept as we get older
- Executive function (part of the brain that manages goal-directed behavior) tries to keep our behavior consistent with self-concept

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Five-Factor Personality Model (CANOE)

Slide 11

Five-Factor Model of Personality (CANOE or OCEAN)

Conscientiousness

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

Agreeableness

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

Neuroticism

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

Openness to experience

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

Extraversion

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

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Five-Factor Personality & Individual Behavior

Slide 12

Five Factor Personality & Individual Behavior

Conscientiousness and emotional stability (low neuroticism)

- Strongest personality predictors of individual performance for most jobs

Extroversion

- Higher performance in sales and management jobs
- Contributes to social interaction and persuasion -- useful where employees must interact with and influence people

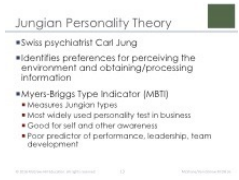
Agreeableness

- Higher performance in jobs where employees are expected to be helpful and cooperative e.g. teams, customer relations

Openness to experience

- More creative and adaptable to change

But need to avoid "linear correlation" assumption that higher of each dimension is better -- more likely an optimal level for each



Jungian Personality Theory

Slide 13

Jungian Personality Theory

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

Myers-Briggs Type Indicator (MBTI)

- Estimates Jungian personality types
- Most widely used personality test
- 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

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Myers-Briggs Type Indicator (MBTI)

Slide 14

Myers-Briggs Type Indicator (MBTI)

Extroversion versus introversion (E – I)

- Similar to five-factor dimension

Perceiving information (S – N)

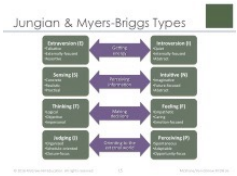
- Sensing – perceiving information directly through the five senses to acquire factual and quantitative details
- Intuition – relies on insight and subjective experience

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



Jungian and Myers-Briggs Types

Slide 15

Jungian and Myers-Briggs Types

(See notes in previous slide for details)

Personality Testing in Organizations

- MBTI is mostly used for team building and career development
- The five-factor model is commonly found in scholarly research, but is increasingly used to assess job applicants
- Personality testing has regained acceptance – studies report that specific traits correlate with specific indicators of job performance. However, may be better predictors of performance

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Values in the Workplace

Slide 16

Values in the Workplace

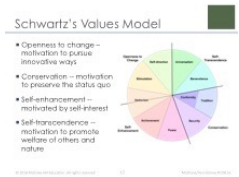
Stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations

- Define right/wrong, good/bad
- Tell us what we "ought" to do (moral compass)
- Direct our motivation and, potentially, our decisions and behavior

Value system -- hierarchy of preferences which is relatively stable and long-lasting

Values and personality traits are correlated, but differ

- 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



Schwartz's Values Model

Slide 17

Schwartz's Values Model

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

Clusters 57 specific values into 10 broad value categories which are further clustered into four quadrants

- Openness to change -- Extent to which a person is motivated to pursue innovative ways
- Conservation -- Extent to which a person is motivated to preserve the status quo
- Self-enhancement -- How much a person is motivated by self-interest
- Self-transcendence -- Motivation to promote the welfare of others and nature

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Personal Values and Behavior

Slide 18

Personal Values and Behavior

Values direct our motivation, so guide our decisions, behavior, and performance

But there is a "disconnect" between values and behavior because:

- Situation -- may prevent or discourage people from acting consistently with their values (both opportunity and counter motivation effects)
- Awareness (salience) -- we apply values when we actively think about them and understand their relevance to the situation -- problem is that values are abstract, so their relevance isn't obvious

To increase values-consistent behavior:

- Maintain work environment that supports and is consistent with personal and organizational values (e.g., resources, rewards)
- Remind employees of their (and company's) most important values
- Improve employee sensitivity to values relevance (i.e., increase moral sensitivity -- see ethics discussion below)



Values Congruence

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

Person-organization values congruence

- Person's values are similar to the organization's dominant values

Espoused-enacted values congruence

- Consistency between the values apparent in our actions – enacted values and what we say we believe in (espoused values)
- Especially important for people in leadership positions because any gap undermines their perceived integrity

Organization-community values congruence

- Similarity of an organization's dominant values with the values of the community or society in which it conducts business

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

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Three Ethical Principles
Slide 20

Ethical Values and Behavior

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

Three Ethical Principles

Utilitarianism

- Seek the greatest good for the greatest number of people
- Focuses on the consequences of our actions, not on how we achieve those consequences

Individual rights principle

- Reflects the belief that everyone has entitlements that let her or him act in a certain way e.g. freedom of speech, fair trial
- Problem of conflicting rights e.g. right to privacy conflicts with another's right to know

Distributive justice principle

- People who are similar should receive similar benefits and burdens e.g. two employees who contribute equally in their work
- Inequalities are acceptable when they benefit the least well off

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Influences on Ethical Conduct

Slide 21

Influences on Ethical Conduct

1. Moral intensity

- The degree to which an issue demands the application of ethical principles
- Higher moral intensity when:
  a) strong good/bad consequences
  b) widespread agreement on those consequences
  c) high probability of those consequences occurring
  d) many people affected by decision and its consequences

2. Moral sensitivity (ethical sensitivity)

- A person's ability to recognize the presence of an ethical issue and determine its relative importance
- Enables quicker and more accurate estimation of an issue's moral intensity
- Moral sensitivity increases with the person's
  a) empathy
  b) subject expertise
  c) direct experience with these moral dilemmas
  d) mindfulness
- 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
  ➡ Involves actively monitoring the environment, so increases moral sensitivity

3. Situational influences

- External forces to act contrary to moral principles and personal values

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Supporting Ethical Behavior

Slide 22

Supporting Ethical Behavior

Corporate code of ethics

- Statement about desired practices, rules of conduct, and philosophy about the organization's relationship to stakeholders and the environment
- Problem: Limited effect on ethical conduct

Training

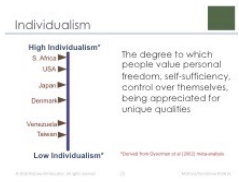
- Train employees in proper ethical conduct

Systems for communicating/investigating wrongdoing

- Anonymous employee reporting -- e.g., hotline, website
- Impartial investigation -- e.g. ombuds officers

Ethical leadership and shared values

- Ethical conduct and vigilance of corporate leaders – role model ethical standards that employees are more likely to follow



Individualism

Slide 23

Values Across Cultures

Five values that have cross-cultural significance are individualism, collectivism, power distance, uncertainty avoidance, and achievement-nurturing orientation

Individualism

A cross-cultural value describing the degree to which people in a culture emphasize independence and person uniqueness

Highly individualist people value personal freedom, self-sufficiency, control over their own lives, and appreciation of their unique qualities



Collectivism

Slide 24

Collectivism

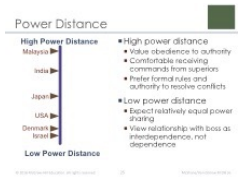
Extent to which we value our duty to groups to which we belong and to group harmony

Highly collectivist people define themselves by their group memberships, emphasize their personal connection to others in their in-groups, and value the 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)

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Power Distance
Slide 25

Power Distance

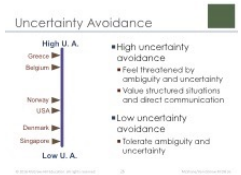
Extent to which people accept unequal distribution of power in a society

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



Uncertainty Avoidance
Slide 26

Uncertainty Avoidance

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

Low uncertainty avoidance

- Tolerate ambiguity and uncertainty

High uncertainty avoidance

- Feel threatened by ambiguity and uncertainty
- Value structured situations, clear documentation, and direct rather than indirect or ambiguous communications



Achievement-Nurturing
Slide 27

Achievement-Nurturing

Reflects a competitive versus cooperative view of relations with other people

High achievement orientation

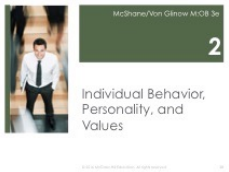
- Value assertiveness, competitiveness, materialism
- Appreciate people who are tough and favor acquisition of money and material goods

Nurturing orientation

- Emphasize relationships and the well-being of others
- Focus on human interaction and caring rather than competition and personal success

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Individual Behavior, Personality, and Values

Individual Behavior, Personality, and Values

Slide 28

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STUDENT HANDOUT



CRITICAL THINKING QUESTIONS

1. 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 to be the most important for this type of job? Explain your answer.

2. 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).

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

4. 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?

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SUGGESTED ANSWERS TO CRITICAL THINKING QUESTIONS

1. **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 to be the most important for this type of job? Explain your answer.**

   The textbook provides some information to help students answer this question. First, conscientiousness and emotional stability (low neuroticism) are important because they best predict individual performance in almost every job group. Both are motivational components of personality because they energize a willingness to fulfill work obligations within established rules (conscientiousness) and to allocate resources to accomplish those tasks (emotional stability). 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 work better in organizations that give employees more freedom than in traditional "command and control" workplaces.

   The other important personality dimension is extroversion, because it is associated with performance in sales and management jobs, where employees must interact with and influence people. One or more other personality dimensions might also be relevant to management trainees, but these three stand out.

2. **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.

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

   This statement is probably best viewed as 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.

   A few people might argue that all decisions are ethical decisions because all decisions affect others in some way. There is always some tiny degree of moral intensity in all decisions, they would suggest. This argument implies that anything you decide or do (such as choosing to wake up 15 minutes earlier tomorrow morning) will affect others. We live in an interconnected world, but a contrary argument is that to be considered an ethical decision, a decision requires some minimum level of effect. A trivial effect (such as someone surprised to see you awake 15 minutes earlier tomorrow) would fall below a minimum threshold to be considered ethical. Also, an ethical

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decision necessarily requires the ability of the decision maker to be aware of possible consequences of the decision. You could not usually predict that waking 15 minutes earlier tomorrow would have a good or bad effect on others, so that decision is not considered an ethical decision.

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.

4. 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.

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STUDENT HANDOUT



CLASS EXERCISE: ETHICS DILEMMA VIGNETTES

Instructions

Read each of these ethics dilemmas and be prepared to discuss the extent to which the company's action in each case was ethical. In particular, consider the moral intensity and ethical principles relevant to each incident. In smaller classes, you may be assigned to a team where these incidents are discussed before debriefing to the entire class.

Case One

A large European bank requires all employees to open a bank account with that bank. The bank deposits employee pay cheques 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 pay cheques 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.

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, then had her escorted from the building. The owner explained that these comment put the company in a bad light, and her "display of disrespect and dissatisfaction undermined the relationship and made it untenable."

Case Three

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 made 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.

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CLASS EXERCISE: ETHICS DILEMMA VIGNETTES

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 a few comments about each case.:

Case One: 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

Case Two: 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*, 26 February 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 [the employee] 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.

Case Three: This is also a true case, involving Hewlett Packard (HP). (See David Pringle and Steve Stecklow, "Electronics with borders," Wall Street Journal, 17 January 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.

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