Chapter 2
Individual Behavior, Personality, and Values

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Individual Behavior, Personality, and Values

LEARNING OBJECTIVES

After reading this chapter, students should be able to:

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

LO2. Describe personality, the “Big Five” personality traits, and the MBTI types.

LO3. Describe self-concept and explain how social identity theory relates to a person’s self-concept.

LO4. Describe Schwartz’s model of individual values as well as five values commonly studied across cultures, and identify the conditions under which values influence behavior.

LO5. Discuss three factors that influence ethical behavior.

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 co-operative relations with other people.

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

competencies -- skills, knowledge, aptitudes, and other personal characteristics that lead to superior performance

conscientiousness -- a personality dimension describing people who are careful, dependable, and self-disciplined.

ethical sensitivity -- a personal characteristic that enables people to recognize the presence and determine the relative importance of an ethical issue

extroversion -- a personality dimension describing people who are outgoing, talkative, sociable, and assertive.

five-factor model (FFM) -- The five abstract dimensions representing most personality traits: conscientiousness, emotional stability, openness to experience, agreeableness and extroversion.

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

locus of control -- a person’s general belief about the amount of control he or she has over personal life events.

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

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 with high levels of anxiety, hostility, depression, and self-consciousness

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

CHAPTER SYNOPSIS

Individual behavior is influenced by motivation, ability, role perceptions, and situational factors (MARS). Motivation consists of internal forces that affect the direction, intensity, and persistence of a person’s voluntary choice of behavior. Ability includes both the natural aptitudes and the learned capabilities required to successfully complete a task. Role perceptions are a person’s beliefs about what behaviors are appropriate or necessary in a particular situation. Situational factors are environmental conditions that constrain or facilitate employee behavior and performance.

Personality is the relatively enduring pattern of thoughts, emotions, and behaviors that characterize a person, along with the psychological processes behind those characteristics. Most experts now agree that personality is shaped by both nature and nurture. Most personality traits are represented within the five-factor model, which includes conscientiousness, agreeableness, neuroticism, openness to experience, and extroversion. Another set of traits, measured by the Myers-Briggs Type Indicator, represents how people prefer to perceive and judge information. Conscientiousness and emotional stability (low neuroticism) stand out as the personality traits that best predict individual performance in almost every job group. The other three personality dimensions predict more specific types of employee behavior and performance.

Self-concept includes an individual’s self-beliefs and self-evaluations. It has three structural dimensions: complexity, consistency, and clarity. People are inherently motivated to promote and protect their self-concept; this is self-enhancement. At the same time, people are motivated to verify and maintain their existing self-concept; this is self-verification.

Self-evaluation, an important aspect of self-concept, consists of self-esteem, self-efficacy, and locus of control. Self-esteem is the extent to which people like, respect, and are satisfied with themselves. Self-efficacy is a person’s belief that he or she has the ability, motivation, correct role perceptions, and favorable situation to complete a task successfully; general self-efficacy is a perception of one’s competence to perform across a variety of situations. Locus of control is defined as a person’s general belief about the amount of control he or she has over personal life events. Self-concept consists of both personality identity and social identity. Social identity theory explains how people define themselves in terms of the groups to which they belong or have an emotional attachment.
Values are stable, evaluative beliefs that guide our preferences for outcomes or courses of action in a variety of situations. People arrange values into a hierarchy of preferences, called a value system. Espoused values—what we say and think we use as values—are different from enacted values, which are values evident from our actions. Values have been organized into a circle with 10 clusters. Value congruence is the similarity of value systems between two entities.

Five values that differ across cultures are individualism, collectivism, power distance, uncertainty avoidance, and achievement-nurturing orientation. Three values that guide ethical conduct are utilitarianism, individual rights, and distributive justice. Three factors that influence ethical conduct are the extent to which an issue demands ethical principles (moral intensity), the person’s ethical sensitivity to the presence and importance of an ethical dilemma, and situational factors that cause people to deviate from their moral values. Companies improve ethical conduct through a code of ethics, ethics training, ethics hotlines, and the conduct of corporate leaders.

**POWERPOINT® SLIDES**

*M: Organizational Behavior, First Edition* includes a complete set of Microsoft PowerPoint® files for each chapter. (Please contact your McGraw-Hill/Irwin representative to find out how instructors can receive these files.) In the lecture outline that follows, a thumbnail illustration of each PowerPoint slide for this chapter is placed beside the corresponding lecture material. The slide number helps you to see your location in the slide show sequence and to skip slides that you don't want to show to the class. (To jump ahead or back to a particular slide, just type the slide number and hit the Enter or Return key.)

**LECTURE OUTLINE**

(WITH POWERPOINT® SLIDE THUMBNAILS)

**Individual Behavior, Personality, and Values**

**Slide 1**

**MARS Model of Individual Behavior**

Individual behavior influenced by motivation, ability, role perceptions, and situational factors (M.A.R.S.)

- Need to understand all four factors to diagnose and change individual behavior
**Employee Motivation**

Internal forces that affect a person’s voluntary choice of behavior

- **direction** -- directed by goals
- **intensity** -- amount of effort allocated
- **persistence** -- amount of time that effort is exerted

**Employee Ability**

Natural aptitudes and learned capabilities required to successfully complete a task

- **Aptitudes** -- natural talents that help people learn more quickly and perform better
- **Learned capabilities** -- acquired skills and knowledge
- **Competencies** -- abilities, individual values, personality traits and other characteristics of people that lead to superior performance
- **Person-job matching** -- three ways to match people with jobs
  - select qualified people
  - develop employee abilities through training
  - redesign job to fit person's existing abilities

**Role Perceptions**

Beliefs about what behavior is required to achieve the desired results:

- understanding what tasks to perform
- understanding relative importance of tasks
- understanding preferred behaviors to accomplish tasks

Clarifying role perceptions

- Provide information about tasks and priorities
- Provide frequent and meaningful performance feedback.
- Provide training on preferred work processes
**Situational Factors**

Environmental conditions beyond the individual’s short-term control that constrain or facilitate behavior

- time
- people
- budget
- work facilities

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**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 – thoughts, values and genetic characteristics inferred from behaviors
- Behavioral tendencies – less apparent where environment constrains behavior

Behavior patterns reflect underlying stable traits

Some behavioral variability -- people adapt their behavior away from personality tendencies to suit the situation

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**Nature vs Nurture of Personality**

**Influenced by Nature**

- Heredity explains about 50 percent of behavioral tendencies and 30 percent of temperament
- Minnesota studies – twins had similar behavior patterns

**Influenced by Nurture**

- Socialization, life experiences, learning also affect personality
- Personality isn’t stable at birth
- Stabilizes throughout adolescence
- Executive function steers using our self-concept as a guide
Five-Factor Model of Personality (CANOE)
(Another acronym is OCEAN)

Conscientiousness
- careful, dependable and self-disciplined

Agreeableness (vs. non-compliant/hostile)
- being courteous, good-natured, trusting, empathetic and caring

Neuroticism (vs. emotional stability)
- high levels of anxiety, hostility, depressed, self-conscious

Openness to experience (vs. resistant to change)
- sensitive, flexible and curious

Extroversion (vs. introversion)
- outgoing, talkative, sociable and assertive

Five Factor Personality & Organizational Behavior

Conscientiousness and emotional stability (low neuroticism)
- motivational components of personality
- best predictors of individual performance in almost all jobs

Extroversion
- higher performance in sales and management jobs
- related to social interaction and persuasion

Agreeableness
- higher performance in jobs requiring co-operation/helpfulness

Openness to experience
- predicts creativity and adaptation to change

Personality influences how people cope with stress, and career paths that make them happy.

Jungian Personality Theory

- Swiss psychiatrist Carl Jung
- Personality theory identifies preferences for perceiving the environment and obtaining/processing information
- Commonly measured by the Myers-Briggs Type Indicator (MBTI)
Myers-Briggs Type Indicator (MBTI) – personality test that measures traits in Jung’s model

Extroversion versus introversion
• general orientation to the world (similar to five-factor extroversion-introversion)

Sensing versus intuition
• collecting information through senses versus through intuition, inspiration or subjective sources

Thinking versus feeling
• processing and evaluating information
• using rational logic versus personal values

Judging versus perceiving
• orient themselves to the outer world
• order and structure or flexibility and spontaneity

Effectiveness of the MBTI
• Most widely used personality tests in work settings
• Poor predictor of job performance
• Generally not recommended for employment selection or promotion decisions.

Self-Concept Definition and Elements
An individual’s self-beliefs and self-evaluations
• It is the “Who am I?” and “How do I feel about myself?”

Guides individual decisions and behavior

Three elements of self-concept
1. Complexity
• People have multiple self-concepts

2. Consistency
• Improved well-being when multiple self-concepts call for similar personality traits and values

3. Clarity
• Self-concepts are clearly and confidently described, internally consistent, and stable across time.
• Self-concept clarity requires self-concept consistency
Four “Selves” of Self-Concept

**Self-enhancement**
- Promoting and protecting our positive self-view

**Self-verification**
- Affirming our existing self-concept (good and bad elements)

**Self-evaluation**
- Evaluating ourselves through self-esteem, self-efficacy, and locus of control

**Social self**
- Defining ourselves in terms of group membership

**Self-Concept: Self-Enhancement**
An innate human drive to promote and protect a positive self-view of being competent, attractive, lucky, ethical, valued
Most evident in situations that are common and are important to us
People with a positive self-concept
- have better personal adjustment and mental/physical health
- tend to inflate personal causation and probability of success

**Self-Concept: Self-Verification**
Motivation to verify and maintain our existing self-concept
Stabilizes our self-concept -- anchors our thoughts and actions
People prefer feedback that is consistent with their self-concept
Effects of self-verification
- We ignore or reject info inconsistent with our current self-concept
- We interact more with those who affirm/reflect our current self-concept
Self-Conception: Self-Evaluation

Self-evaluation defined mainly by self-esteem, self-efficacy, and locus of control

Self-esteem
• Global self-evaluation
• High self-esteem -- less influenced, more persistent, more logical

Self-efficacy
• Belief in one’s ability, motivation, role perceptions, and situation to complete a task successfully (i.e. MARS analysis)
• General vs task-specific self-efficacy

Locus of control
• General belief about the amount of personal control over life events
• Higher self-evaluation with internal locus of control

The Social Self

Personal identity
• Defining ourselves in terms of things that make us unique in a situation

Social identity
• Defining ourselves in terms of groups to which we belong or have an emotional attachment
• We identify with groups that have high status -- aids self-enhancement

Values in the Workplace

Values Defined
• Stable, evaluative beliefs that guide our preferences
• Define right or wrong, good or bad
• Defines what we “ought” to do to achieve our needs

Values are important in OB
• Influence perceptions, decision, leadership behavior and org. citizenship

Value system
• People have a hierarchy of values -- some more valued than others
Schwartz’s Values Model

57 values clustered into 10 domains, which are clustered again into 4 dimensions in a circumplex (circular model)

Builds on and corrects problems with the older model of values by Rokeach

Model also applies to organizations, professions, societies, etc

Schwartz’s Values Model

Schwartz’s four dimensions and 10 domains are:

1. Openness to change dimension -- motivated to pursue innovative ways
   - self-direction (creativity, independent thought)
   - stimulation (excitement and challenge)
   - hedonism (pleasure, enjoying life)

2. Conservation -- motivated to preserve the status quo
   - conformity (adherence to social norms and expectations)
   - security (safety and stability)
   - tradition (moderation and preservation of the status quo)

3. Self-enhancement -- motivated by self-interest
   - achievement (pursuit of personal success)
   - power (dominance over others)
   - hedonism (pleasure, enjoying life) (also in openness to change)

4. Self-transcendence -- motivated to promote the welfare of others and nature
   - benevolence (concern for others in one’s life)
   - universalism (concern for the welfare of all people and nature)

Values and Behavior

Habitual behavior usually consistent with values, but conscious behavior less so because values are abstract constructs

Decisions and behaviors linked to values when:

- we are reminded (mindful) of our values
- Have logical reasons to apply values in that situation
- Situation does not interfere
Value Congruence

Value congruence
• where two or more entities have similar value systems (e.g. employees and their organization)

Problems with values incongruence
• Employee decisions incompatible with organization’s goals
• Lower satisfaction and commitment
• Increased stress and turnover

Benefits of (some) incongruence
• Better decision making due to diverse values and perspectives
• Conflict that can potentially enhance problem definition
• Too much congruence can undermine creativity, flexibility and business ethics (“corporate cults”)

Other Types of Value Congruence

Espoused-enacted value congruence
• Espoused -- the values we say and often think we use
• Enacted -- values we actually rely on to guide our decisions and actions
• Espoused-enacted values incongruence undermines a person’s integrity and reduces the trust between coworkers.

Organization-community value congruence
• Affects relations in cross-cultural situations

Values Across Cultures

Individualism-collectivism
• Degree that people value duty to their group (collectivism) versus independence and person uniqueness (individualism)
• Previously considered opposites, however, two concepts are now viewed as unrelated -- i.e. can value high individualism and high collectivism
Individualists tend to:
• Value personal freedom, self-sufficiency, control over themselves, being appreciated for unique qualities

Collectivists tend to:
• Identify themselves by group membership
• Value harmonious relationships with their groups
• Located within the conservation range of values (security, tradition and conformity)

Power Distance
Extent that people accept unequal distribution of power in a society

High power distance cultures
• value obedience to authority
• comfortable receiving commands from superiors
• Prefer to resolve conflicts through formal rules and authority

Low power distance cultures
• expect relatively equal power sharing
• view relationship with boss as interdependence, not dependence

Uncertainty Avoidance
High uncertainty avoidance
• feel threatened by ambiguity and uncertainty
• value structured situations and direct communication

Low uncertainty avoidance
• tolerate ambiguity and uncertainty

Achievement-Nurturing
Achievement
• assertiveness, competitiveness, materialism

Nurturing
• valuing relationships, others’ well-being
Ethical Values and Behavior

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

Three Ethical Principles

Utilitarianism
- Seek the greatest good for the greatest number
- Focuses on the consequences of actions – problem: ignores morality of means to end

Individual rights principle
- Personal entitlements to act in a certain way e.g. freedom of speech
- Problem of conflicting rights

Distributive justice principle
- People who are similar in relevant ways should receive similar benefits and burdens e.g. two employees who contribute equally should receive similar rewards
- Inequalities are acceptable where they benefit the least well off in society

Influences on Ethical Conduct

Moral intensity
- degree that issue demands ethical principles

Ethical sensitivity
- ability to recognize the presence and determine the relative importance of an ethical issue

Situational influences
- competitive pressures and other conditions affect ethical behavior
Supporting Ethical Behavior

Ethical code of conduct
- Establishes standards of behavior
- Problem: Limited effect alone on ethical behavior

Ethics training
- Awareness and clarification of ethics code
- Practice resolving ethical dilemmas

Ethics hotline
- Employees report wrongdoing, ask about ethical concerns

Ethical leadership and culture
- Demonstrate integrity and role model ethical conduct

Individual Behavior, Personality, and Values
1. An insurance company has high levels of absenteeism among the office staff. The head of office administration argues that employees are misusing the company’s sick leave benefits. However, some of the mostly female staff members have explained that family responsibilities interfere with work. Using the MARS model, as well as your knowledge of absenteeism behavior, discuss some of the possible reasons for absenteeism here and how it might be reduced.

2. Suppose that you give all candidates applying for a management trainee position 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.

3. 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?

4. “All decisions are ethical decisions.” Comment on this statement, particularly by referring to the concepts of moral intensity and ethical sensitivity.
Chapter 2: Individual Behavior, Personality, and Values

SOLUTIONS TO CRITICAL THINKING QUESTIONS

1. An insurance company has high levels of absenteeism among the office staff. The head of office administration argues that employees are misusing the company’s sick leave benefits. However, some of the mostly female staff members have explained that family responsibilities interfere with work. Using the MARS model, as well as your knowledge of absenteeism behavior, discuss some of the possible reasons for absenteeism here and how it might be reduced.

The MARS model of individual behavior states that behavior is a function of motivation, ability, role perceptions, and situational factors. With respect to absenteeism, employees may be away from assigned work because they don’t want to attend work that day (motivation), they don’t realize that this is their work day (role perceptions), and/or environmental conditions prevent them from attending work (situational factors).

In this incident, situational factors may explain mostly why female employees are absent. Specifically, family responsibilities interfere with their work attendance. However, some absenteeism among men and women may be due to sick leave policies. It is known that generous sick leave benefits reduce attendance motivation.

2. Suppose that you give all candidates applying for a management trainee position 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.

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

Ethical 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 ethically 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 ethical 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 ethical sensitivity). Thus, both concepts are important factors in the extent to which we apply ethical principles to issues.
CLASS ACTIVITY: TEST YOUR KNOWLEDGE OF PERSONALITY

Instructions
Below are several questions relating to the Big Five personality dimensions and various preferences or outcomes. Answer each of these questions relying on your personal experience or best guess. Later, the instructor will show you the answers based on scholarly results. You will NOT be graded on this exercise, but it may help you to better understand the effect of personality on human behavior and preferences.

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

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<th>Personality Dimension</th>
<th>Extroversion</th>
<th>Conscientiousness</th>
<th>Agreeableness</th>
<th>Neuroticism</th>
<th>Openness to experience</th>
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</table>
2. On which two personality dimensions should team members have the highest scores, on average, to produce the best team performance?

- Conscientiousness
- Agreeableness
- Neuroticism
- Openness to experience
- Extroversion

3. Rank order (1 = highest, 5 = lowest) the Big Five personality dimensions in terms of how much you think they predict a person’s degree of life satisfaction. (Note: Personality dimensions are ranked by their absolute effect, so ignore the negative or positive direction of association.)

___ Conscientiousness
___ Agreeableness
___ Neuroticism
___ Openness to experience
___ Extroversion

4. Which two Big Five personality dimensions are positively associated with enjoyment of workplace humor?

- Conscientiousness
- Agreeableness
- Neuroticism
- Openness to experience
- Extroversion
CLASS ACTIVITY: TEST YOUR KNOWLEDGE OF PERSONALITY

Purpose
This exercise is designed to help students to think about and understand the effects of the Big Five personality dimensions on individual preferences and outcomes.

Instructions (Large Class)
Below are several questions relating to the Big Five personality dimensions and various preferences or outcomes. Answer each of these questions relying on your personal experience or best guess. Later, the instructor will show you the answers based on scholarly results. You will NOT be graded on this exercise, but it may help you to better understand the effect of personality on human behavior and preferences.

Instructions (Small Class)
Step 1: The instructor will organize students into teams. Members of each team work together to answer each of these questions relating to the Big Five personality dimensions and various preferences or outcomes.
Step 2: The instructor will reveal the answers based on scholarly results. (Note: the instructor might create a competition to see which team has the most answers correct.)

Exercise Answers
Question 1: Listed below are several jobs. Please check no more than two (2) 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
Medical practitioner: 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


NOTE: There is ongoing debate regarding the association between vocational preference and personality. Sullivan & Hanson (2004) report that subdimensions of the Big 5 are better predictors of vocational interest than are the overall dimensions (e.g. subdimensions of extroversion -- such as enthusiasm and sociability).

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.

**Question 2**: On which two personality dimensions should team members have the highest scores, on average, to produce the best team performance?

**Answer**: agreeableness and conscientiousness


**Question 3**: Rank order (1=highest; 5=lowest) the Big Five personality dimensions in terms of how much you think they predict a person's degree of life satisfaction. (Note: personality dimensions are ranked by their absolute effect, so ignore the negative or positive direction of association).

**Answer**

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<th>RANK</th>
<th>PERSONALITY DIMENSION</th>
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<td>1</td>
<td>Neuroticism (negative association)</td>
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<tr>
<td>2</td>
<td>Conscientiousness</td>
</tr>
<tr>
<td>3/4</td>
<td>Extroversion &amp; agreeableness</td>
</tr>
<tr>
<td>5</td>
<td>Openness to experience</td>
</tr>
</tbody>
</table>


**Question 4**: Which two Big Five personality dimensions are positively associated with enjoyment of workplace humor?

**Answer**: Extroversion and agreeableness have the highest correlation with attitudes toward having fun at work.

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 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.”

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.
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.