The effect of values, conscientiousness, and self-efficacy on ethical decision-making

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THE EFFECT OF VALUES, CONSCIENTIOUSNESS, AND SELF-EFFICACY ON
ETHICAL DECISION-MAKING

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by

Marcy Young

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THESIS ACCEPTANCE

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THE EFFECT OF VALUES, CONSCIENTIOUSNESS, AND SELF-EFFICACY ON ETHICAL DECISION-MAKING

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This research explores the roles that values, conscientiousness, and self-efficacy play in ethical decision-making. Although previous research has shown that values affect ethical decision-making, few researchers have evaluated the effect that conscientiousness has on ethical decision-making. Research has evaluated the effect that self-efficacy has on ethical decision-making, but a relationship has not been found. The current study hypothesizes that individuals high in self-transcendence values will make more ethical decisions than individuals high in self-enhancement values. Also, individuals high in conscientiousness are expected to make more ethical decisions than individuals low in conscientiousness. Third, individuals high in self-efficacy are expected to make more ethical decisions than individuals low in self-efficacy. Finally, values are expected to moderate the relationship that conscientiousness and self-efficacy have on ethical decision-making. The study was conducted on 148 students enrolled in graduate business courses. The results revealed that values affected ethical decision-making. Individuals high in self-enhancement values made less ethical organizational decisions.
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Chapter 1

Overview of Research Proposal

Corporate ethics have received heightened attention recently due in part to the perception that organizations are engaging in unethical practices more than ever ("Economist," 2003). Unethical practices may result in lawsuits, fines, bad publicity, and a loss of customers, all of which can seriously affect a company’s sales and can ultimately destroy a business. Most research evaluating ethical business practices has addressed how environmental or situational factors affect ethics (e.g., Beyer & Nino, 1999; Hegarty & Sims, 1978; Mumford, Gessner, Connelly, O’Connor, & Clifton, 1993). Few research studies have evaluated ethics in terms of individual differences (exceptions include McIntyre & Capen, 1993 and O’Connor, Mumford, Clifton, Gessner, & Connelly, 1995). This paper outlines research designed to examine the effects of individual differences in self-efficacy, conscientiousness, and values on ethical decision-making. The study addresses four main questions: will individuals high in self-transcendence values make more ethical decisions than individuals high in self-enhancement values? Also, will individuals high in conscientiousness make more ethical decisions than individuals low in conscientiousness? Third, will individuals high in self-efficacy make more ethical decisions than individuals low in self-efficacy? Finally, will values moderate the relationship that conscientiousness and self-efficacy have on ethical decision-making?
The paper starts with a brief discussion of ethics and ethical decision-making. This section will clarify how ethical decision-making will be defined for the purpose of this study and will detail research on ethical decision-making. Second, values will be discussed, with a focus on the Schwartz's Value Survey (Schwartz, 1992). This section will go into more detail about specific values that help or hinder ethical decision-making. Third, conscientiousness and its influences on ethical decision-making will be examined. Conscientiousness and values will be addressed, and research will support the idea that ethical decisions may be a combination of conscientiousness and values. Fourth, self-efficacy will be discussed. This section will address how self-efficacy affects ethical decision-making, as well as why previous research has not found a relationship between self-efficacy and ethical decision-making. Fifth, specific predictions regarding the proposed effects of values, conscientiousness and self-efficacy on ethical decision-making will be stated.
Ethical decision-making has been viewed as an important issue in business over the last several decades. Jones (1991) has suggested that insider trading on Wall Street, defense contract scandals, as well as political and business scandals have kept ethical issues in the public eye. Some of the most recent scandals have involved unethical business practices at Enron, WorldCom, and Tyco ("Tough at the top," 2003). These scandals have led to an increased interest in the teaching of ethics in business schools and increased interest in research on ethics.

Effects of Unethical Business Practices

Unethical business practices may cause serious damage to companies or employees. Unethical business practices may lead to lawsuits and those responsible for the unethical practice may face criminal charges. These practices also affect employees and the general public. Company downsizing or foreclosure may cause economic hardship on families and communities. Unethical business practices can ruin a company’s or an industry’s image. A poll in 2002 found that only 23% of Americans thought managers of large companies could be trusted, whereas 75% of Americans thought people who ran small businesses could be trusted ("Economist," 2003). Although no reason was given for the differences between large and small businesses, a possible explanation is the publicity given to large corporate scandals. Given the potential for significant damage resulting from unethical activity, large organizations need to improve
the ethical practices of their employees for the sake of the company and the industry in
general. To do this, ethical practices must be defined.

**Ethical Behavior**

There are many definitions of ethics. Jones and Ryan (1997) define ethics as a set
of standards by which a human regulates their behavior in order to achieve the purpose of
life. Marnburg (2001) categorized ethics into four definitions, credibility ethics,
humanistic ethics, efficiency ethics, and environmental ethics. Credibility ethics defines
behaviors related to promises and expectations. Humanistic ethics are values and integrity
among people. Efficiency ethics suggest that producing as much as possible and at the
same time as imposing industrious and economically sound behavior is ethical.

Environmental ethics includes the worries and concerns for the environment and the
welfare of future generations. Howell and Avolio (1992) suggest that leaders who
incorporate followers input and provide opportunities for followers are more ethical than
leaders who are controlling and manipulate followers. All of these definitions are clearly
different, suggesting that ethics may be difficult to define.

Gottlieb and Sanzgiri (1996) suggest that relationship between ethics and
organizational behavior is not clearly defined. They suggest that in most cases ethics is
defined by social laws and regulations. Vitell, Rallapalli, and Singhapakdi (1993)
suggest that ethics may be influenced by society and organizational norms.

Therefore ethics may guides for socially acceptable behaviors created by societal and
organizational norms. Because different societies and organizations have different norms,
ethical behavior is not universal. This aspect makes it challenging to define ethical behavior.

Mumford et al. (1993) explained that individual and situational differences affect how a person responds to ethical situations. Some individuals may make decisions that benefit the organization, whereas other individuals may make decisions that hurt the organization. Mumford et al. described destructiveness as any decision or solution that negatively affects an organization’s long-term goals or an organization’s employees. This definition, though limited to only a single organization, does incorporate a societal view of ethics as hurting employees or companies and is not condoned by society. Due to its definiteness, measuring capabilities, and business focus, Mumford et al.’s definition of destructiveness will be used as the definition of unethical behavior for this study.

Companies have tried to improve the ethical behavior of employees by creating ethical codes of conduct or increasing ethics training. Ethic codes provide guidance as to which behaviors or practices a company considers unethical. Research has shown mixed effectiveness for codes of conduct. VanSandt and Neck (2003) reported that having an ethical code of conduct decreases the number of illegal violations committed by employees in a company. However, VanSandt and Neck noted that this research was conducted in a lab setting rather than in an applied setting. As a result, these findings may not accurately depict how ethical codes of conduct affect ethical behavior in actual work settings. Results from ethical training studies have also been inconclusive. Eynon, Hill, and Stevens (1997) noted that some studies have found a positive relationship between ethics education and ethical reasoning; however, other studies have found no relationship.
These studies suggest that attempts to correct unethical behavior through ethical codes of conduct and education are not always successful. Although some of these findings may stem from methodological issues, it is also possible that these tactics may simply be ineffective. In order to effectively facilitate ethical behavior, it is important to understand the underlying causes of unethical behavior.

**Causes of Unethical Behavior**

Hegarty and Sims (1978) proposed that the desire to compete in foreign markets has increased unethical behavior in companies because companies perceive they must adopt the business standards of the foreign country in which they wish to do business. Further, Beyer, and Nino (1999) suggested that economic competition among companies weakens the ethical and cultural values of companies. They suggested that companies competing in a global economy are affected by culture and value differences of competing companies. These cultural and value differences may make reducing and defining destructive behavior difficult because what is unethical in one culture may be ethical in another.

Business is not the only field where unethical behavior has increased. Misconduct has also been found in the field of science. The Washington Post reported the results of a confidential questionnaire in which 5% of scientist admitted to tossing out contradictory data, 10% admitted to inappropriately including authors in publications, and 15% said they have changed a study design to satisfy a sponsor or ignored observations that were inaccurate (Weiss, 2005). The misconduct has been attributed to frustrations and injustices of the scientific reward system (Weiss, 2005). Scientists are rewarded for
finding significant results more often than insignificant results. Martinson (as cited in Weiss, 2005) stated that science has become much more business-like recently due to vast competition and funding opportunities. These business-like concepts do not fit well with scientific principles and have consequently led to more unethical behavior in the scientific field.

Situational and individual difference factors. When faced with an ethical dilemma, both internal and external factors may play a role. Certain individuals may simply be unwilling to behave unethically regardless of the situation in which they find themselves. Other individuals, who may ordinarily behave ethically, might pursue an unethical course of action in a situation that promotes or supports that type of behavior. Research has shown that both situational factors and individual differences affect ethical decision-making.

Trevino (1986) proposed that organizational culture and work characteristics affect ethical decision-making. Organizational culture is proposed to affect ethical decision-making in several ways. If an organization's culture is weak, the organization's values and goals may not be expressed clearly, thus giving decision-makers inadequate guidelines in handling ethical dilemmas. Trevino posited that accountability may also affect ethical decision-making. Employees who are held accountable for decisions they make may tend to consider the ethicality of their decisions more so than employees not held accountable for their decisions. Trevino also suggested that organizational leadership may influence ethical decision-making. Because people often reference others when making decisions, the ethicality of referents (e.g., authority figures) can influence
ethical decision-making. Other researchers have also suggested that leadership may influence ethical decision-making.

Zhu, May, and Avolio (2004) suggested that ethical leadership can foster employee commitment and trust. This can in turn create employee empowerment and possibly facilitate more ethical employee behavior. Zhu et al. argued that leaders model behavior for other employees. Ethical leaders are needed to create ethical behavior throughout the organization. Therefore, it is important to study the ethical behavior of managers as they set the tone in the organization.

Moral intensity, or the magnitude or importance of the decision, may also influence ethical decision-making. Jones (1991) explained that ethical considerations can include how many people are affected by the situation, how much the situation affects a person’s life, and how that the act will cause harm. Jones also noted that ethical decision-making may also be influenced by the type of task or decision to be made. People might not deliberate considerably on decisions that are obviously wrong or illegal, but would deliberate on decisions that are less obvious.

Mumford et al. (1993) addressed several individual and situational variables in a study that examined destructive decision-making. Destructive decisions were defined as decisions that harmed or negatively affected a company’s goals or its employees. Undergraduate business students, 55 males and 97 females, completed a battery of tests and exercises as part of a managerial assessment center. Several individual difference variables were measured, including need for power, object beliefs (belief that you can use others for personal gain), and myth viability (an image of life that did not involve
commitment to others). In addition, participants completed an in-basket in which they played the role of a manager and were asked to respond to 24 ethical decision scenarios. The in-basket required participants to respond to memos, notes and letters that required a decision. Attached to the note or memo was additional information about the situation. Below the additional information was a typed recommendation for a course of action. Participants then had to decide if they would take the course of action. There were two types of decisions depicted in the in-basket. Eight scenarios were interpersonal, meaning only the manager and another individual were involved, and eight were organizational, meaning the situation involved the whole organization. Responses were scored for integrity, reflecting choices that did not harm others or the organization.

Three situational factors were manipulated: authority norms, psychological distance, and self-efficacy. Authority norms, or using experts or authority figures to justify or initiate certain behaviors, were manipulated by informing people in the low norm condition that hurting people was expected and that turnover could reduce payroll and create competition for better performance. The participants in the high norm condition were told that employee expertise could increase performance, implying that keeping workers was best. Psychological distance, the level of closeness or support between employees, was manipulated through descriptions of the organizational culture. In the high-distance condition, the culture of the organization was described as rigid with little managerial support. In the low-distance condition, the organizational culture was portrayed as being open with supportive management (e.g., employees could communicate openly with co-workers and management). In addition to the two
situational manipulations, Mumford et al. (1993) also manipulated participants' self-efficacy by informing participants they had performed either average or well on a battery of tests taken prior to the completion of the in-basket. Because self-efficacy was manipulated, it was treated as a situational variable.

The results indicated that some situational factors (authority norms and self-efficacy) affected the destructiveness of participants' decisions. Participants in the high self-efficacy and low authority norms group made more destructive interpersonal decisions than participants in all other groups. Individual differences also affected destructiveness for organizational situations. Participants, who scored high on the personality variables of power, object beliefs, and myth variability, chose a more destructive course of action for the in-basket situations that focused on organizational outcomes than those who scored low on these personality variables. There was also an interaction between personality and self-efficacy. Participants in the high self-efficacy condition who scored low on the personality variables were more likely to make organizational destructive decisions compared to the other three groups. The results of this study suggest that a combination of individual and situational differences may influence ethical decision-making more than individual or situational differences alone.

The Mumford et al. (1993) study underscores the importance of evaluating both individual differences and situational variables when attempting to understand ethical decision-making. However, much of the earlier research on causes and solutions to unethical decision-making has focused on situational variables alone. It is less clear how individual differences, specifically personality variables, affect ethical decision-making.
McIntyre and Capen (1993) examined the effect of personality differences on ethical reasoning. Using the Meyers-Briggs Type Indicator, McIntyre and Capen found that different personality types perceived ethical issues differently. Intuitive-Feeling individuals, creative individuals who emphasize values when making decisions, tended to consider questions as ethical or unethical and think more about morals. Sensing-Thinking individuals, individuals who use traditional senses to take in information and use logic when making decisions, considered anything that is not illegal to be ethical. These results suggest personality differences may relate to ethical decision-making.

Other research has addressed personality differences through socialized and personalized leadership. Howell (1988) distinguished socialized from personalized leadership by examining differences in leaders' power motives and behaviors and the influence they have on their followers. Howell theorized that socialized leaders express their need for power through socially constructive behaviors, such as instilling power in others and restraining others from using power. In contrast, personalized leaders would express their need for power through authoritarian or controlling behaviors. Socialized leaders were also proposed to influence followers through promoting their follower's values, whereas personalized leaders were proposed to influence followers only to keep harmony within the organization. Howell (1988) further proposed that socialized leaders form goals based on the needs of their followers, whereas personalized leaders form goals from their own private motives. Finally, socialized leaders gain followers through the inspiration their goals create, whereas personalized leaders obtain followers through obedience.
Though the proposed differences in personalized and socialized leaders discussed so far are theoretical, they suggest very distinct differences in personality. These differences are mainly expressed by differences in values and motives. Socialized leaders are portrayed as being concerned with others and the group's welfare, whereas personalized leaders are seen as being more concerned with their own welfare and needs (Howell & Shamir, 2005). These different values and motives could ultimately create differences in decision-making.

Some research has empirically tested leader ethical decision-making using the personalized or socialized framework. O'Connor et al. (1995) evaluated behavior differences between personalized and socialized leaders. The authors' classified 82 historical figures as personalized or socialized leaders according to biographies written about each leader. Leaders were classified as socialized or personalized based on the leader's need for power, object beliefs, narcissism, fear, self-regulation, outcome beliefs, and views of life. Biographies of the historical leaders were evaluated based on (a) the leader's destructiveness to others, (b) the leader's damage to the social system, (c) the leader's benefit to others, and (d) the leader's benefit to the social system. The results of the study suggested that personalized leaders were more harmful to people and organizations and less moral than were socialized leaders.

In a similar study, Howell and Avolio (1992) evaluated the ethical and unethical qualities of business leaders by interviewing and surveying over 150 managers in 25 Canadian organizations. From these interviews and surveys, 25 charismatic leaders were identified. These charismatic leaders were then interviewed to obtain more in-depth
information on their values, attitudes towards their followers, and personal characteristics and behavior. Ethical or unethical qualities were determined by the leaders’ morals, problem-solving abilities, ideals, and behaviors, and by the work climates they fostered. In the study, unethical charismatic leaders displayed behavior characteristics similar to personalized leaders. Howell and Avolio (1992) found that unethical leaders used power in dominant and authoritarian ways and were not receptive to feedback or open to suggestions or new ideas. The leader’s primary goal was to satisfy his or her immediate interests. Ethical charismatic leaders, on the other hand, displayed behaviors similar to socialized leaders. Ethical leaders used power to serve others, were more willing to accept criticism to help improve themselves, and considered followers needs or the needs of the group when making decisions.

*Moral Reasoning*

Several researchers have studied ethical decision-making through a moral reasoning framework (e.g., Eynon et al., 1997; Jones & Ryan, 1997; Marnburg, 2001; Pennino, 2002). Trevino (1986) explained that morals are a person’s assessment of what is right or wrong. Morals help explain the capacity a person has to make ethical decisions. For example, a person with low moral reasoning ability may have difficulty considering all aspects of a problem or the ethical implications of both sides of a problem.

Many studies explain moral reasoning in terms of Kohlberg’s theory of moral development (e.g., Eynon et al., 1997; Jones & Ryan, 1997; Marnburg, 2001; Pennino, 2002). Kohlberg (1976) stated that there are three levels of moral development and each
level contains two stages. The three levels are called preconventional, conventional, and postconventional.

*Preconventional.*

*Stage 1* A person reasons ethically to avoid punishment.

*Stage 2* A person reasons ethically if it is in his or her immediate interests.

*Conventional.*

*Stage 3* A person reasons ethically because it is what is expected. Doing good helps one believe that he or she is a good person and shows others that he or she is a good person.

*Stage 4* A person reasons ethically because of social norms. Laws are upheld unless they conflict with social duties.

*Postconventional.*

*Stage 5* A person is aware that others hold different values than his or her own. A person may have strong values for certain beliefs such as life and liberty and feel these values are more important than the law. A person may have a utilitarian perspective on morals.

*Stage 6* A person follows his or her own ethical principles, which usually are similar to principles set by the law; however, if a person’s principles are different from the law, he or she would follow his or her own principles.

Kohlberg (1976) explained that his theory of moral development is based on Piaget’s theory of cognitive development. A certain level of cognitive capacity is needed in order to achieve a certain level of moral reasoning ability. Similar to Piaget’s theory,
according to Kolhberg, a person must progress from the first level to higher levels and not all people will reach the top levels. The preconventional stage is the level at which most children, some adolescents, and many criminals reside. The conventional stage is the level at which most adolescents and adults reside. Only a small number of adults achieve the postconventional stage.

Kohlbergian theory explained that individuals take principles into account when reasoning at higher moral levels. As Kohlberg (1976) mentioned, usually these principles are modeled by law; however, they can also be based on a person’s values. Principles based on values may play an important role in ethical decision-making. The next section evaluates values and the effect they have on ethical decision-making.
Chapter 3

Values

Grojean, Resick, Dickson, and Smith (2004) suggested that values are important in influencing organizational behavior. They argued that within an organization, values can be broken into three categories: organization values, leader values, and non-leader values. Organizational values are ideas that facilitate interactions between individuals. They promote the organization's survival and prosperity. Organizational values also help explain the organizational culture. Leader values are values held by the leader, and non-leader values are values held by individuals not holding leadership positions. Leader values and non-leader values may be different than organizational values. Values of the individuals within the organization may play a large role in creating an ethical culture. For example, Grojean et al. suggested that a leader's values may be the most influential for commencing the climate. However, an ethical climate may be upheld more when individuals' values coincide with the organization's values.

Finegan and Theriault (1997) addressed how values relate to business ethics. They contended that codes of ethics may not always be effective because the values represented in the code may not be that of the employees. The closer the code is to the employees' values, the more ethically the employees will behave. Finegan and Theriault found that a person's values were helpful in determining a person's ethical standard. However, before values can be incorporated into the study of ethics, a definition of values as well as a measure of values is needed.
Rokeach (1973) defined a value as “an enduring belief that a specific code of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence” (p. 5). Rokeach found that (a) people have only a small number of values, (b) people have the same set of values, but place different priorities on different values, (c) values are shaped by our culture, society, intuitions, and personality, (d) values can be categorized into a system, and (e) values affect everything we do.

Rokeach (1973) further divided values into the categories of terminal and instrumental. Terminal values are self-centered values and social-centered values that affect end results. An example of a self-centered terminal value is peace of mind. An example of a social-centered terminal value is world peace. Instrumental values consist of moral values and competence values. Moral values affect behaviors and cause feelings of guilt. An example of a moral value is honesty. Competence values also affect behavior and lead to feelings of shame or inadequacy. An example of a competence value is thinking logically. Rokeach (1973) created a value measure that assesses 36 values. Half of the values were considered terminal values and the other half were considered instrumental values.

Schwartz Values Scale

Schwartz (1992) expanded on Rokeach’s work and created a new value measure. He created a value measure that is more comprehensive than Rokeach’s measure by adding values, categorizing and displaying the values in a conceptual map, and explaining the relationship between different values. Schwartz’s theory also explained the
motivation behind values, and further studies have addressed how behaviors are associated with these values. In addition, whereas Rokeach's measure is ipsative, Schwartz's measure is normative, therefore allowing comparisons across subjects.

**Categories of values.** Schwartz expanded Rokeach's 36 values into a scale of 56 values and grouped these values into the following 11 categories: (a) self-direction - valuing independent thought, exploration, and creativity (e.g., freedom to chose your own goals), (b) stimulation - a need for variety and favorable level of activation (e.g., having an exciting life), (c) hedonism - the value of "organismic" needs and pleasure in the satisfaction of these needs or pleasure and enjoyment of life, (d) achievement - personal success through the demonstration of competence (e.g., ambition, success), (e) power - an emphasis on the attainment of a position in the social system (e.g., wealth, authority, public image), (f) security - a need for safety, harmony, and stability in relationships, (g) conformity - restraint of actions, and violation of expectations and norms, (h) tradition - respect, obligation, and acceptance of traditions or customs, (i) spirituality - confirmation about the meaning of life, (j) benevolence - concern for the welfare of friends and family or others in daily interaction, and (k) universalism - a person's ability to understand, appreciate, and tolerate people. For the reminder of the study, these categories will be called key values.

Schwartz's categories of values simplify value research by focusing on only 11 key values. However, most of Schwartz's cross-cultural work excluded the value of spirituality because it was difficult to measure; therefore, most of his empirical work focuses on 10 key values. The conciseness of the Schwartz Value Scale simplifies the
process of analyzing values, and Schwartz’s research indicates that this scale has adequate psychometric properties that generalize across cultures.

**Conceptual map.** Schwartz created a conceptual map to explain the relationships among key values (see Figure 1). The map is circular with wedges representing the values. Though the values are separated, Schwartz (1992) emphasized a value continuum. Schwartz and Bilsky (1987) hypothesized that similar values would be next to each other on the conceptual map, and opposite values would be across from each other. For example, achievement is next to power and opposite of benevolence. Therefore, achievement is seen as compatible with power but not with benevolence.

The conceptual map is useful for understanding the effects of values on ethical behavior. The differences between personalized and socialized leaders may be understood in terms of this conceptual map. Using Schwartz’s conceptual map, benevolence, a more socialized value, is exactly opposite of power, a more personalized value. Therefore, it may be that individuals who value power will behave in a less ethical manner than individuals who value benevolence.

Schwartz (1992) tested his measure in 20 countries representing different cultures, languages, and religions. In each country, the Schwartz Value Survey was given to 200 teachers who taught grades 4-10 in large school systems. Three criteria were used to identify significant key values: (a) the value region on the conceptual map needed to contain 60% of the hypothesized a priori key values, (for example achievement needed to be a self-enhancement value 60% of the time), (b) no more than 33% of a value
theoretically associated with a key value could be identified as loading on another key value (for example, achievement could not be associated with a value like hedonism), and
(c) 70% of all values identified in the conceptual map region needed to reflect the goals of the appropriate key value type. For a key value to be significant, all three criteria had to be met. Schwartz found that power, achievement, and tradition values were significant in all countries studied according to the three criteria listed above. Hedonism, self-direction, universalism, and security values were significant in 95% of the countries studied, and stimulation, benevolence, and conformity were found to be significant in 90% of the countries. Spirituality was not assessed due to differences in religious beliefs. The study indicates that the values created by Schwartz as well as the conceptual map are fairly stable across countries.

Motivation Behind Values

One key aspect of the Schwartz value theory is that Schwartz explained the personal motivation behind the 11 key values. Schwartz (1992) defined these motivations as self-enhancement, self-transcendence, conservativeness and openness to change. Self-enhancement and self-transcendence are opposite from one another on the map and conservative and openness to change are opposite one another. Self-transcendence values are universalism and benevolence. Self-enhancement values are achievement and power. Tradition, conformity, and security are values that are conservative; in contrast, self-direction and stimulation encompass openness to change. The motivation for hedonism falls between self-enhancement and openness and can belong to either depending on circumstances.

Categorizing values according to motivation may help explain ethical decision-making. If a person has self-enhancement values he or she would value personal gain and
would make decisions that would benefit himself or herself. If a person has self-transcendence values, he or she would value the well-being of others or the organization and would make decisions that would benefit others. Research suggests that personalized leaders value power, a self-enhancement value, whereas socialized leaders value benevolence, a self-transcendence value. Howell (1988) and Howell and Avolio (1992) described socialized leaders as being concerned with others, which is characteristic of the benevolence value, whereas personalized leaders are concerned with personal gain, which is characteristics of power. If personalized leaders are considered more destructive (O’Connor et al., 1995), it may be that individuals with self-enhancement values make less ethical decisions than those with self-transcendence values.

Values and Behavior

Bardi and Schwartz (2003) conducted several studies to test the influence of values on behavior using the Schwartz Value Survey. In the first study, responses from 102 students were used to establish a behavior rating scale. Students were asked to generate 10 behaviors that expressed each of the values. It was concluded that there are approximately 6-10 unique behaviors representing each value. Participants were then asked to rate the frequency with which they had demonstrated each value over the last year. Participant’s values were correlated with frequency of behavior. The results indicated that values were significantly correlated with behaviors. However, some behaviors were also correlated with values they were not explicitly designed to measure. For example, tradition behaviors were correlated with the benevolence value.
Bardi and Schwartz (2003) further tested the value theory by using a friend to help verify the participants' behaviors. Their study consisted of 50 student-partner pairs. Partners completed measurement tools in their own home with an experimenter present. Each participant completed the Schwartz Values Survey, the partner behavior assessment, and the self-report rating of behavior from the first study. The results of the self-report behavior in this study showed that all behaviors were strongly correlated with the corresponding value; however, the results of the partner rating indicated that not all the behaviors were correlated with the intended value. Achievement, benevolence, conformity, and security behaviors were not related to their respective values. To assess whether or not a person close to a participant may be biased, a third study was conducted with peers. Participants included 182 undergraduates who completed the value survey and the behavior measure. Participants gave the experimenter the phone number of a peer, who was contacted and given a shortened version of the behavior measure. The results indicate that 6 of the 10 values correlated significantly with their corresponding behaviors. These values were tradition, stimulation, hedonism, power, achievement, and universalism.

Though some behaviors did not correlate with their corresponding values over all three studies, most of these behaviors were associated with values that had the same motivations as their corresponding values. For example, the value of security correlated with behaviors of tradition. Both security and traditional values have a conservative motivation. However, the motivational factor was never discussed. It may be that the
motivational factor is a better predictor of associated behavior than the individual values themselves.

Bardi and Schwartz (2003) found that the majority of values held by people are expressed in behaviors. That is, if a person values power, then he or she will display behaviors associated with power. This is important, because we can assume that if a person has values that promote ethics, then he or she will probably also display ethical behaviors.

Mumford, Helton, Decker, Connelly, and Van Doorn (2003) studied the effects of values on ethical decision-making. They suggested that values and beliefs may influence ethical decisions and that certain values and beliefs may be associated with low integrity. One hundred and ninety-seven undergraduates were asked to participate in a managerial role-playing exercise. First, participants completed covariate measures, including an intelligence measure, a social skills measure, and a social desirability measure. The participants also completed a values measure that required they make decisions based on eight value dimensions: work, family, friends, leisure, politics, religion, education, and culture. Each of these dimensions subsumed values related to the dimension. For example, the work dimension contained values such as financial security, status, and career development. Participants were given 28 scenarios based on these dimensions with pre-rated responses. The participants chose a response that indicated certain values. Participants were also given an in-basket exercise developed by Mumford et al. (1993). Responses were scored for integrity, reflecting choices that did not harm others or the organization.
Mumford et al. (2003) found that values that reflected personal gain, such as financial security, status, and self-protections or promotion were negatively related to integrity for both interpersonal and organizational decisions. It was also found that values related to personal growth and contribution, such as human rights was positively related to integrity. Beliefs that reflected personal growth such as development were also related to integrity. Personal gain values are similar to Schwartz's self-enhancement values, whereas personal growth values are similar to self-transcendence values. These results support the notion that self-enhancement values promote more destructive or unethical decisions, whereas self-transcendence values promote ethical or less destructive decisions.

Illies (2001) researched the effect of self-transcendence and self-enhancement values on destructive decision-making. Illies hypothesized that people with self-enhancement values would make more destructive decisions than people with self-transcendence values. One hundred and seventy-four college students participated in his study. The participants completed an in-basket exercise. Participants were given background information on the organization's management as well as current events that were taking place. The two-part in-basket exercise consisted of a decision-making exercise and a problem-solving exercise. The in-basket exercise was modified from Mumford et al.'s (1993) in-basket exercise. The other part of the in-basket exercise included an open-ended problem. Participants read the problem and were asked to develop a solution. The solutions were rated based on Mumford et al.'s (1993) definition of destructiveness. As hypothesized, Illies (2001) found that participants possessing self-
enhancement values exhibited more destructive decision-making than participants possessing self-transcendence values for all dependent measures. Illies' findings support the notion that individuals with self-transcendence values make more ethical decisions than individuals with self-enhancement values.
Chapter 4

Conscientiousness

In addition to values, other individual difference variables may relate to ethical decision-making. In recent years, the five-factor model has been frequently used to describe personality characteristics (McCrae & Costa, 2003). One of the factors in the five-factor model is conscientiousness. Costa, McCrae, and Dye (1991) defined conscientiousness according to its six facets: Competence, order, dutifulness, achievement driven, self-discipline, and deliberation. Competence is defined as the degree one is capable, sensible, and accomplished. Order is the tendency to be tidy and well organized. Dutifulness relates to a person’s adherence to standards of conduct. Achievement driven refers to the person’s desire to achieve excellence. Self-discipline is the ability to persist with something aside from distractions or boredom. Deliberation refers to being cautious, thoughtful, or prepared. Conscientiousness has been shown to relate to job performance and integrity, and through these variables it is thought to relate to ethical decision-making.

Job Performance

Conscientiousness has been found to be a good predictor of job performance. Multiple studies have found that individuals higher in conscientiousness tend to exhibit higher job performance (Barrick & Mount, 1991, 1993; Barrick, Mount, & Judge, 2001; Barrick, Mount, & Strauss, 1993, 1999). Barrick and Mount (1991) conducted a meta-analysis using the Big Five personality traits and three job performance criteria for five different occupational groups based on 117 studies. The job performance criteria
consisted of job proficiency (performance ratings and productivity), training proficiency (training performance ratings and productivity), and personnel data (salary, turnover, status change, and tenure). The five occupational groups studied were professionals (e.g., lawyers, doctors, teachers), police, managers (e.g., foremen, executives), sales people, and skilled/semi-skilled (e.g., farmers, flight attendants, medical assistants). Barrick and Mount found that conscientiousness was related to job performance for all jobs in all three criteria. They hypothesized that conscientiousness assesses a person’s ability to be responsible and careful, which leads to successful performance across domains.

Barrick and Mount’s (1993) subsequent study of job performance and conscientiousness found that conscientious people also have higher organizational commitment. In this study, Barrick and Mount examined 146 managers and supervisors in a U.S. Army Management Training Activity Department. Participants completed a personality inventory and a questionnaire on job autonomy. The participants’ supervisors also provided performance ratings. The performance appraisal consisted of eight dimensions: (a) planning, (b) administration, (c) development, (d) communication, (e) coordination, (f) effort, (g) organizational commitment, and (h) know-how. The results indicated that conscientiousness was related to each job dimension and that conscientiousness was a significant predictor of overall job performance.

Barrick et al. (1993) evaluated the relationship between goal setting and conscientiousness in a sample of 91 sales representatives. Participants completed the Personal Characteristics Inventory measure, which is a measure of the Five Factor Model, a self-report autonomous goal setting measure, and a goal commitment measure. The goal
setting measure asked participants whether they set specific monthly goals for the past year. Participants rated their level of commitment to the goal as well as difficulty of the goal. The results indicated that conscientiousness was positively related to setting goals and goal commitment. This study is relevant to the issue of ethical decision-making because conscientious employees who are more committed to their own goals may also be more committed to organizational goals. Employees committed to organizational goals may be less likely to harm the company and be less likely to make unethical decisions. Indeed, Hunt, Wood, and Chonko (1989) found that organizational commitment was related to ethical decision-making in a study of 916 marketing/sales employees. Hunt et al. (1989) measured shared ethical values by evaluating (a) employees’ perceptions of their manager’s concerns about ethical issues in the organization and (b) employees’ perceptions of how much ethical behavior is rewarded in the organization. Commitment was measured using Hunt, Chonko, and Wood’s (1985) measure of organizational commitment. Their results indicated that corporations with shared high ethical values also had more committed employees.

Responsibility, care, organizational commitment, and goal commitment are all behaviors related to conscientiousness. These are also associated with less unethical decision-making. However, we cannot assume that these behaviors lead to ethical decision-making. Kohlberg (1976) contended that there are levels of morality. At the first level, people make ethical choices to avoid punishment and to promote their own interests. At the second level, people make ethical choices because it is the right thing to do and it is expected of them. At the third level, people make ethical choices because
ethical choices are congruent with their principles and beliefs. Conscientiousness depicts characteristics that fit with the second level of morality. A conscientious person is dutiful, responsible, and committed. Therefore, a conscientious individual might be ethical because it is the right thing to do and doing the right thing will fulfill others’ expectations of him or her. A conscientious person could also operate at a higher level of morality, depending on his or her values. However, because conscientious individuals may not necessarily operate at the highest level of morality, they may not necessarily make highly ethical decisions; they simply are less likely to make obviously unethical decisions.

*Integrity*

Research has demonstrated that conscientiousness is also related to integrity as measured by integrity tests (Barry & Stephens, 1998; Becker, 1998; Sackett & Wanek, 1996). In a review of integrity testing, Sackett and Wanek (1996) suggested a positive relationship between conscientiousness and integrity. They note that integrity tests typically measure deviant or unethical behavior in the workplace. Sackett and Wanek posit that conscientiousness is related to integrity tests via the mechanism of self-control (which is a component of Costa, McCrae, and Dye’s (1991) definition of conscientiousness). They hold that a person with self-control is less likely to be tempted by unethical rewards. The positive relationship between conscientiousness and integrity supports the notion that high conscientiousness should result in less unethical behavior. However, high conscientiousness may not necessarily be related to ethical decision-making.
Research by Craig and Gustafson (1998) supports this notion. Craig and Gustafson examined the relationship between conscientiousness and leader integrity using an integrity scale with a sample of 78 college students. They found no correlation between conscientiousness and leader integrity. No theoretical explanation was given as to why conscientiousness did not relate to integrity. Therefore, more research should be conducted to determine the relationship between conscientiousness, integrity and ethical decision-making.

Conscientiousness and Values

Research has shown that values affect ethical decision-making, and it is hypothesized that conscientiousness may affect ethical decision-making. However, few researchers have examined the relationship between conscientiousness and values. Olver and Mooradian (2002) examined the relationship between Costa and McCrae’s Big Five Personality Traits (including conscientiousness) and values as measured by the Schwartz Value Survey. Olver and Mooradian reported that conscientiousness was positively related to achievement, a self-enhancement value, and also related to conformity, and security, and negatively related to tradition, which are conservative values.

Similarly, Roccas, Sagiv, Schwartz, and Knafo (2002) examined the relationship between values and Costa and McCrae’s Big Five personality traits. Similar to Olver and Mooradian (2002), they found that conscientiousness was positively correlated with achievement, security, and conformity. They also found that conscientiousness was negatively correlated with stimulation. The negative correlation with stimulation resembles an avoidance of risk, which is a characteristic of conscientiousness.
Herringer (1998) also examined the relationship between conscientiousness and values. His study used Goldberg’s Five-Factor Model and the Rokeach Value Survey. Similar to other researchers, he found that conscientiousness was positively related to security and achievement. He also found that conscientiousness was related to maturity and prosocial values.

All of these research studies suggest that conscientiousness may not be related to self-transcendence values. In fact, conscientiousness may be more strongly related to self-enhancement values, indicating that conscientious people may not make ethical decisions. Yet, a conscientiousness profile indicates that conscientious individuals are responsible, committed, and goal-oriented. These traits resemble characteristics that are usually associated with ethical decisions as opposed to unethical decision-making.
Chapter 5

Self-Efficacy

Bandura (1977) defined self-efficacy as a person's belief that he or she can perform certain behaviors that will produce certain outcomes. Bandura (1977) explained that people with high self-efficacy believe they can handle threatening or complex situations and thus will be more likely to enter these situations. Bandura (1977) suggested that self-efficacy is situationally-based in that an individual may have high self-efficacy in certain situations and low self-efficacy in others.

Self-Efficacy and Ethical Decision Making

When individuals are faced with an ethical dilemma, they are typically placed in a situation that is complex and potentially threatening. Some ethical decisions may contradict an organization's culture or cause conflicts with co-workers or others in the organization. If individuals feel they cannot handle the outcomes associated with making the ethical decisions, they may avoid making ethical decisions. Therefore, a person's self-efficacy or belief that he or she can handle situations may affect ethical decision-making. There has been some research addressing the relationship between self-efficacy and ethical decision-making. Although many of these studies have proposed a positive relationship between ethical decision-making and self-efficacy, few (if any) studies have demonstrated this relationship. The next section will examine these research studies.

Empirical Research

Terpstra, Rozell, and Robinson (1993) studied the relationship between self-esteem and ethical decision-making in a sample of 201 undergraduate business students.
Although self-esteem is not exactly the same construct as self-efficacy, the similarity between the constructs may suggest that research on self-esteem may be useful determining self-efficacy results. Participants completed a 40-item self-esteem measure taken from the Personal Orientation Inventory and responded to eight vignettes portraying ethical dilemmas concerning insider trading. After reading each vignette, participants were asked if they would participate in the activity and then were asked about the legality of the situations. Regression analyses indicated that self-esteem was not a significant predictor of ethical decision-making. One factor that may have influenced these results is that all of the vignettes were somewhat extreme (e.g., one vignette involved using insider stock tips for one’s own advantage). This may have caused range restriction in the criterion variable (means and standard deviations were not provided, so this could not be evaluated).

Beu, Buckely, and Harvey (2003) also studied the relationship between self-efficacy and ethical decision-making in a sample of 231 business and industrial/organizational psychology students. The participants completed several questionnaires during class, one of which consisted of scenarios depicting ethical dilemmas. One scenario asked students if they would pay a bribe to obtain a business contract. Another scenario asked students if they would cheat on a major class project. Students also completed the Generalized Self-Efficacy Scale (Chen, Gully, and Eden, 2001). Regression analyses results indicated that self-efficacy was not a significant predictor of ethical decision-making. Unfortunately, this study did not provide details on the ethics measure. Like the previous study, the ethical scenarios were fairly extreme and
no explanation on the range of the scale or its variability was given. Therefore, range
restriction could have existed.

Flannery and May (2000) also studied the relationship between self-efficacy and
ethical-decision-making in a survey of 139 members of the National Association of Metal
Finishers. Environmental ethical decision intention was measured using an item
developed by Fishbein (1980). The item presented an ethical dilemma of releasing
untreated hazardous wastewater into publicly owned treatment works. Higher scores on
the item represented more unethical intentions. Self-efficacy was used to assess whether
the individual felt he or she could make decisions about the situations. The regression
analysis indicated that self-efficacy was not a significant predictor of ethical decision­
making. Therefore, like the previous studies, this study did not provide evidence that
people high in self-efficacy made more ethical decisions or had intentions of making
ethical decisions. In contrast to the other studies, means and standard deviations for this
study were reported. The mean for ethical decision intention was fairly low and Flannery
and May mentioned that participants tended to answer ethically. Therefore, there may
have been range restriction in the criterion variable. Without variability in ethical
decisions, it would be hard to determine if there is indeed a relationship between self­
efficacy and ethical decision-making.

Overall, it appears that research examining the relationship between ethical
decision-making and self-efficacy has failed to find a relationship between these two
constructs. It is unclear whether these results are due to flaws in the research designs of
these studies that may have led to considerable range restriction in the criterion variable.
There is also the possibility that other variables need to be taken into consideration when examining this relationship.

**Self-Efficacy and Values**

As mentioned earlier, self-efficacy is a person's confidence that he or she can execute certain behaviors that will produce certain outcomes (Bandura, 1977). It is possible that a person with high self-efficacy would feel that they could handle unethical situations as well as ethical situations, therefore being more unethical in their decision-making. For example, an accountant may believe that he or she could adjust financial figures successfully. The decision to behave ethically or unethically, for a person with high self-efficacy, may depend largely on a person's values.

Mumford et al. (1993) addressed how norms and self-efficacy may influence ethical decision-making. In this study, self-efficacy was manipulated by telling some of the participants that they performed well on several tests, and telling other participants that they performed at an average level on the tests. The results indicated that the self-efficacy manipulation significantly interacted with authority norm in influencing destructive decision-making. Participants in the high authority norm condition were told it was best to try to keep current employees, whereas participants in the low authority norm condition were told that high turnover of employees was okay and part of the job. Participants in the high self-efficacy and low authority norm condition made more destructive decisions than any other condition. Therefore, participants with high self-efficacy and a reason (in this case, organizational norms) may be more likely to make unethical decisions.
This suggests that high self-efficacy may influence ethical decision-making as a function of the values that the person possesses. For individuals with high self-efficacy, internal factors (such as values) may play a large role in determining ethical decision-making. However, people with low self-efficacy may believe that they have little control over the situation; therefore, no matter what their values are, they would rely on situational variables such as other people or organizational factors to help them make ethical or unethical decisions. The ethicality of the decision would then depend on these external factors.
Chapter 6

This Investigation

Overview

The purpose of this study was to identify individual difference variables that may affect ethical decision-making and how these variables may interrelate when influencing ethical decision-making. Although this study acknowledges that situational factors may impact ethical decision-making, the specific purpose is to better understand the impact of individual differences on ethical decision-making.

Values

In this study, unethical decision-making is defined as a destructive act to a person or a company (Mumford et al., 1993). Research has shown that personalized leaders may be more destructive than socialized leaders (O’Connor et al., 1995). Personalized leaders are characterized as being more concerned with themselves. Socialized leaders are characterized as being more concerned with others. A personalized leader would probably value behaviors that promote self-enhancement, whereas socialized leaders would value behaviors that promote others. Therefore, values that promote self-enhancement might lead to more destructive behaviors than values that promote others.

Schwartz (1992) suggests that values can be grouped into self-transcendence values and self-enhancement values. Self-transcendence values include universalism and benevolence. Self-enhancement values are power and achievement (Schwartz, 1992). Howell (1988) explained that power and achievement are valued by personalized leaders; therefore, self-enhancement values may lead to more destructive behaviors than self-
transcendence values. Illies (2001) found that people with self-enhancement values made more destructive decisions than people with self-transcendence values.

Hypothesis 1: Individuals high in self-transcendence values will make more ethical decisions than individuals high in self-enhancement values.

Conscientiousness

Conscientiousness is defined as being competent, orderly, achievement-oriented, dutiful, self-disciplined, and deliberate. Research on conscientiousness reveals that it is related to job performance (Barrick & Mount, 1991, 1993, 1999; Barrick et al., 1993). Conscientious people are portrayed as being responsible, committed, and goal-oriented in job performance studies. Hunt et al. (1989) found that commitment was related to ethical decision-making in organizations.

Hypothesis 2: Individuals low in conscientiousness will make less ethical decisions than individuals high in conscientiousness.

Kohlberg (1976) explained that at the highest level of moral development, a person makes ethical choices because the choices fit with his or her ethical principles or values. Therefore, a conscientious person with a high level of moral development facing an ethical dilemma may be more ethical if they have ethical values due to the fact that they will be committed to behaving in a manner that is consistent with their values. However, little is known about the relationship between conscientiousness and values; therefore, the interaction between conscientiousness and values will be investigated as an exploratory hypothesis.
Hypothesis 3: Self-transcendence and self-enhancement values will moderate the relationship between conscientiousness and ethical decision-making.

**Self-Efficacy**

Some researchers hypothesized that self-efficacy should affect ethical decision-making; however, study results do not support this relationship (Beu et al., 2003; Flannery & May, 2000; Terpstra, Rozell, & Robinson, 1993). One possible reason for this finding may be the use of extreme ethical dilemmas and a subsequent lack of variability in participant responses. Therefore, if less extreme ethical dilemmas were used, more variability may be achieved and a relationship between self-efficacy and ethical decision-making may be found.

Hypothesis 4: Individuals high in self-efficacy will make more ethical decisions than individuals low in self-efficacy.

Research by Mumford et al. (1993) suggests that people with high self-efficacy may not always make ethical decisions. Internal factors such as values may influence how self-enhancement affects ethical-decision-making.

Hypothesis 5: Self-transcendent and self-enhancement values will moderate the relationship between self-efficacy and ethical decision-making. For people high in self-efficacy, those with self-transcendent values will be more ethical then those with self-enhancement values (see Figure 2).
Figure 2. Interaction between Self-Efficacy and Self-Transcendence/Self-Enhancement

Ethics

High

Low

Low Self-Efficacy  High Self-Efficacy

---- Self-Transcendence

--- Self-Enhancement
Chapter 7

Method

Participants

Participants were 148 students enrolled in graduate-level business courses at the University of Nebraska at Omaha (UNO). The majority of students were enrolled in the MBA program (129 participants). Other students were enrolled in programs of accounting, economics, engineering, architecture, and marketing. The average age of the participants was 28.90 (SD = 5.67), with 87 (58.8%) males, 57 (38.5%) females, and 4 (2.7%) participants who did not report gender. The racial mix of the participants was 127 (85.8%) Caucasian, 2 (1.4%) Hispanic, 10 (6.8%) Asian 3 (2.0%) Pacific Islanders, and 6 (4.1%) who did not report ethnicity. Participant’s graduate experience ranged from one semester to twelve semesters with the mean number of semesters of graduate experience completed being 3.74 semesters (SD = 2.59). The majority of the participants reported having full-time jobs (117 students). Sixteen participants work part-time and 10 participants reported they did not work. Five participants did not report their working status. Of the participants working, tenure ranged from less than 1 to 23 years, with an average tenure of 3.72 years (SD = 3.33). Participants reported an average of 2.75 years of managerial experience (SD = 4.14). Participants volunteered for the study and were treated according to the “Ethical Principles of Psychologist and Code of Conduct” (APA, 1992).

Stimulus Materials and Task
In-basket. Participants worked through an “in-basket” activity containing a problem-solving exercise and 24 decision-making exercises. The in-basket exercise reflected problems commonly faced by organizational managers. The in-basket was originally developed by Mumford et al. (1993) and modified by Illies (2001) to create more realistic situations for the available sample.

The in-basket exercise asked participants to assume the role of Kris Johnson, the Nebraska District Manager of Readers, a large retail bookstore chain. Participants read memos, letters, and phone messages requiring managerial decisions. Before completing the in-basket materials, participants read through background information on the company (see Appendix A). Participants also received information on organizational structure pertaining to the location of their position in the national (see Appendix B) and local hierarchies (see Appendix C).

Problem-solving exercise. The first activity in the in-basket was a problem solving exercise in which participants were asked to solve an ill-defined problem (see Appendix D). This problem depicted an ethical scenario. Participants wrote a solution to the problem and gave their reasoning for the solution.

Decision-making exercise. Mumford et al. (1993) developed the in-basket from job analyses of regional sales managers in an electrical and lighting division of a Fortune 500 company (Connelly, Clifton, Reiter-Palmon, & Mumford, 1991). Materials from these analyses were reviewed and two categories emerged: actions that affected individuals such as clients or subordinates and actions that affected the organization in areas such as market share. These categories were labeled interpersonal decisions and
organizational decisions, respectively. An interpersonal decision is one that would negatively affect a client or subordinate with whom the employee has contact. An organizational decision is one that would negatively affect the performance or market share of the company.

Mumford et al. (1993) also tested the interpersonal and organizational items with the Crowne-Marlow (1964) Measure of Social Desirability. The results indicted that the decisions individuals made were not strongly influenced by social desirability.

Three different types of decision items were included: interpersonal decisions, organizational decisions and filler items (see Appendix E). The filler items contained both interpersonal and organizational decisions that did not negatively affect employees or the organization. Mumford et al. (1993) explained that the object of the filler items was to minimize demand characteristics. The filler items were scattered between the interpersonal and organizational items. The organizational, interpersonal, and filler items selected for the exercise came from comments made by 20 regional sales managers in six subject matter expert meetings. In these meetings, the sales managers described the long-term performance decisions and outcomes made by peers in their field.

Illies (2001) modified the context of the work place to make it more appropriate to students, focusing on a bookstore manager. As mentioned earlier, during the in-basket exercise, participants read memos, letters, and phone messages. These materials were accompanied by scenarios requiring decisions. Below each scenario a paragraph containing more information about the situation or the people involved was given, as well as a course of action that could be taken. Participants indicated whether they agreed with
the course of action by giving a yes or no response. Participants were also asked how satisfied they were with the decision and how effective they thought the decision would be in solving the problem. These responses were assessed on five-point, Likert-type scales.

*Manipulation check.* A manipulation check was added to this study to determine how relevant the situations were and to assess the validity of responses (Appendix F). The manipulation check inquired about the validity of the in-basket scenarios as well as how often these scenarios had been encountered by participants. The manipulation check also inquired about the effort participants made to answer the questions accurately and honestly and if participants would have wanted additional information to complete the in-basket.

*Dependent Measures*

*Problem-solving exercise.* Six raters were used to assess the participants' responses to the ill-defined problem. The raters consisted of both graduate students in industrial/organizational psychology program at UNO and undergraduate students at UNO. To increase inter-rater reliability and accuracy, raters were trained on the rating criteria before rating the solutions. Two rating scales were used to rate the solutions to the ill-defined problem: an ethical scale, which asked raters to rate the extent to which the manager acted ethically, and a destructiveness scale, which asked raters to rate the degree the solution was destructive (see Appendix G). The destructiveness scale was a 5-point Likert type scale anchored with 5 (*high destructive*) and 1 (*low destructive*). The ethical scale was also a 5-point Likert type scale anchored with 5 (*ethical responses*) and 1
(unethical responses). Raters only rated solutions for one scale; therefore, three raters were used for each scale. Training consisted of reading through and rating solutions generated from the Illies (2001) study. The rating scales assessed the ethicality of each proposed solution. The destructiveness rating scale was used by Illies (2001), who reported an inter-rater reliability of .80. For this study, the inter-rater reliability for the destructiveness scale was .76 and the \( r_{wg} \) was .99. The ethical scale was developed for this study. The scale had in inter-rater reliability of .92 and an \( r_{wg} \) of .99. The two scales were highly correlated showing convergent validity. Therefore, the two scales were averaged to create one total score for ethical decision making. The destructiveness scale was reversed coded so that higher scored on the combined scale indicated more ethical answers.

**Decision-making exercise.** The decision-making exercise was comprised of eight interpersonal decisions (in-basket items 1, 4, 6, 7, 13, 18, 19, & 20) and eight organizational decisions (in-basket items 2, 8, 10, 12, 15, 16, 22, & 24). The filler items were not used to evaluate ethical behavior. Choosing a destructive or unethical course of action resulted in a score of 0 whereas choosing a non-destructive or ethical course of action resulted in a score of 1. Participants’ ethical rating was the average number of times they selected the ethical course of action (Mumford et al., 1993). Higher ratings represented ethical decisions.

As expressed earlier, interpersonal situations were situations that affected the manager or another individual in the organization. Organizational situations were situations that affected the organization. Previous research has examined interpersonal
and organizational scales independently. Mumford et al. (1993) reported intercorrelations between the scales to be .57 for the interpersonal scale and .55 for the organizational scale. Illies (2001) reported that internal consistencies were low; however, he did not report specific values. One difference that Illies encountered during the modification of the scale was that items 18 and 22 had low reliability and did not converge with the other items on the scales. After reviewing the items he determined that they were not clearly destructive or non destructive and eliminated item number 18 from the organizational item scale and item 22 from the interpersonal item scale. These items were also eliminated from the current study (see Table 1). For this study, the interpersonal item reliability was .35. The organizational item reliability was .01. Although these very low reliabilities are of concern, it is important to note that the reliabilities found by Mumford et al. (1993) and Illies (2003) were also low; however, meaningful correlations with other measures were established. This may indicate that internal consistency is not the best methodology to assess this particular measure. Other types of reliabilities such as test-retest may be a better assessment than internal consistency. However, test-retest reliabilities have not been assessed with this type of measure.

Independent Variables

The independent variables in this study were individual differences in conscientiousness, self-efficacy, and values.

Conscientiousness. Conscientiousness was measured using the International Personality Item Pool (IPIP) scale that resembles the NEO-PI-R conscientiousness scale (see
Table 1

Inter-Correlations among In-Basket Items

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Appendix H). Goldberg (1999) reported the reliability of the conscientiousness section of the IPIP to be .78. This reliability exceeds Nunnally and Bernstein’s (1994) recommended standard of .70. This reliability is higher than that reported for the conscientiousness section of the NEO-PI-R (Costa & McCrae, 1992). Coefficient alpha for conscientiousness for the current study was .97 for the total scale. The 60-item conscientiousness section of IPIP scale contains the following six sub-dimensions of conscientiousness: self-efficacy, orderliness, dutifulness, achievement striving, self-discipline, and cautiousness. A total score for conscientiousness was created by averaging the item scores. Items were scored on a 5-point Likert type scale, anchored with 1 (very inaccurate) and 5 (very accurate).

General self-efficacy. General self-efficacy was measured using the Chen, Gully, and Eden (2001) 8-item New General Self-Efficacy Scale (see Appendix I). The New General Self-Efficacy Scale assesses a person’s overall self-efficacy rather than state or situational self-efficacy. The scale is assessed using a 5-point Likert type scale, anchored with 1 (strong agree) and 5 (strongly disagree). Item scores were averaged together to create a total score. The scale was reversed coded so that higher score on the scale indicated higher self-efficacy. The New General Self-Efficacy scale has been shown to be different from self-esteem and to possess high internal consistency reliability ranging from .85 to .88, and strong test-retest reliabilities, ranging from .62 to .66 (Chen et al., 2001). The internal consistency reliability for this study was .95.

Moral self-efficacy. In addition, a newly created scale measuring moral self-efficacy was used in this study. Previous studies have used only general self-efficacy
measures, and this may have contributed to the inability to find a relationship between self-efficacy and ethical decision-making. The 6-item moral self-efficacy scale was designed to focus on self-efficacy when facing moral dilemmas (see Appendix J). This newly created scale was developed by Avolio, May, and Gardner (2003). The scale assess moral efficacy using a 7-point Likert type scale anchored with 1 (strongly disagree) and 7 (strongly agree). Item scores were averaged together to create a total score. A higher score on the scale indicated higher moral self-efficacy. The internal consistency reliability for this study was .93. As this is a new scale, previous reliabilities were not available.

Values. Personal values were measured using the Schwartz's (1992) Value Survey (see appendix K). The survey consists of 56 specific values that make up 10 key values (power, achievement, stimulation, self-direction, universalism, benevolence, tradition, conformity, security, and hedonism). Participants were asked to rate each of the 56 values with regard to whether it is a “guiding principle in my life” using a 9-point scale anchored by -1 (opposed to my values) to 7 (supreme importance).

Self-enhancement/self-transcendence values. The mean scores of power, achievement, and hedonism were averaged together to form the self-enhancement values (Schwartz, 1992). Higher scores represented more self-enhancement values. The subcategories comprising power are social power, authority, wealth, public image, and social recognition. The subcategories comprising achievement are success, capability, ambition, influence, and intelligence. The subcategories comprising hedonism are pleasure and enjoying life. The mean scores of universalism and benevolence were
averaged to form the self-transcendence value (Schwartz, 1992). Higher scores represented higher self-transcendence values. The subcategories of universalism are environment protection, unity with nature, broad-mindedness, social justice, wisdom, equality, world peace, and inner harmony. The subcategories of benevolence are helpfulness, honesty, forgiveness, loyalty, responsibility, life spirituality, true friendship, and love. Egri and Herman (2000) found the reliability of the self-enhancement value to be .79 and the reliability of the self-transcendence value to be .84. The internal consistency for the self-enhancement value for this study was .86 and the internal consistency for the self-transcendence value was .82.

Initially, the self-enhancement and self-transcendence values were constructed into a value continuum by subtracting self-enhancement from self-transcendence. Higher scores represented a self-transcendence value and lower scores represented a self-enhancement value. The values should correlate negatively to create a polar scale as suggest by Schwartz (1992). However, after reviewing the analyses, it was found that the self-enhancement and self-transcendence values were positively correlated. This is contradictory to results found by Schwartz (1992). Because the self-enhancement and self-transcendence values were positively correlated, the values were kept as separate scales instead of combing them to make the value continuum.

Procedures

Participants were given a packet of materials containing the in-basket materials, a manipulation check, the IPIP scale, the New General Self-Efficacy Scale, the moral self-efficacy scale, the Schwartz Value Survey, a consent form and a demographic
questionnaire (see Appendix L). The demographic questionnaire inquired about the participants' gender, age, ethnicity, years in graduate school, job tenure, and managerial experience. The participants were informed that the packet was part of a class exercise; however, they were given information about the current research study and were told that after completing the packet they had the option to allow their information not to be used in the research study. Three participants chose this option. Participants completed the in-basket exercise and then completed the other materials. This helped ensure that questions on these scales did not affect in-basket responses.

**Planned Analyses**

Descriptive statistics were calculated for all variables. Correlations among the study variables were also calculated. A multiple regression analysis was used to test the predictions regarding the effects of conscientiousness, self-efficacy, self-transcendence, and self-enhancement.

The first hypothesis stated that self-transcendence values will lead to more ethical decision-making than will self-enhancement values. To test this hypothesis, the self-transcendence and self-enhancement values were correlated with the interpersonal decision-making score, the organizational decision-making score, and the problem ratings.

The second hypothesis stated that people high in conscientiousness will make more ethical decisions than people low in conscientiousness. To test this hypothesis, conscientiousness (as measured by the IPIP scale) was correlated with the interpersonal
decision-making score, the organizational decision-making score, and the ratings of the
solution of the open-ended problem.

The third hypothesis suggested a possible interaction between conscientiousness
and the self-transcendence and self-enhancement values. To test this hypothesis, the
centered conscientiousness variable and self-transcendence and self-enhancement values
were entered into the first step of the model as independent variables. Centering (or using
the deviated scores so that the mean is zero) is done to help reduce multicollinearity
(Aiken & West, 1991). The second step of the model contained the interaction vector
(centered by multiplying the centered linear variables, Cohen, 1988) between
conscientiousness and self-transcendence and conscientiousness and self-enhancement. A
regression was run separately for each dependant variable.

The fourth hypothesis stated that people high in self-efficacy will make more
ethical decisions than people low in self-efficacy. To test this hypothesis two measures of
self-efficacy were used, the New General Self-Efficacy Scale and the moral self-efficacy
measure. Each measure of self-efficacy was correlated with the interpersonal decision-
making score, the organizational decision-making score, and the solutions ratings.

The fifth hypothesis suggested an interaction between self-efficacy and self-
transcendence and self-efficacy and self-enhancement. To test this, the centered general
self-efficacy variable and centered self-transcendence and self-enhancement values were
entered into the first step of the model as independent variables. The second step of the
model contained the centered interaction between general self-efficacy and self-

transcendence and self-efficacy and self-enhancement. A regression was run separately for each dependant variable.
Chapter 8

Results

Descriptive Statistics

Descriptive statistics for the interpersonal decision-making scale, the organizational decision-making scale, and the open-ended solution ratings as well as for the self-transcendence, self-enhancement, conscientious, self-efficacy, and moral self-efficacy scales are presented in Table 1. The results indicated that the dependant variables (open-ended solution and interpersonal and organizational decision-making) had normal distributions with means falling in the middle of each scale and fairly average standard deviations. The independent variables of self-enhancement, self-transcendence, conscientiousness, self-efficacy, and moral self-efficacy had a somewhat normal distribution. The conscientiousness mean resided at the higher part of the scale, the self-efficacy mean resided slightly at the lower part of the five-point scale and moral self-efficacy means resided slightly at the lower part of the seven-point scale.

The manipulation check revealed that participants felt the problems were fairly realistic, \( M = 4.21, SD = 0.77 \), and believable, \( M = 4.12, SD = 0.74 \). Participants also tended to think they had the experience needed to solve the problems, \( M = 3.73, SD = 0.98 \). Participants did not necessarily believe that the problems were similar to problems that they had at work, however they tended to believe that the problem were similar to problems others faced at work. Participants felt they put thought into their answers and did not feel it was a waste of time. Suggesting that on average participants tried hard to
solve the problems, \((M = 4.03, SD = .80)\). Participants also tended to feel that at times they did not have enough information to solve the problems, \((M = 3.53, SD = 1.23)\).

Correlations were computed to assess the relationships among the variables. These correlations are presented in Table 2. Relationships that were hypothesized were analyzed using one-tailed tests. Relationships that were not originally hypothesized were analyzed using two-tailed tests.

A review of the correlations revealed that the transcendence values were correlated with the enhancement values, \(r (138) = .32, p < .05\). Therefore, individuals who valued transcendence also valued aspects of enhancement. For this reason, the values were kept separate instead of combining them into the value continuum.

Additionally, a strong significant relationship was found between moral self-efficacy and self-efficacy, \(r (138) = -.75, p < .05\). Individuals with high self-efficacy had low moral self-efficacy. Moral self-efficacy is intended to tap into one aspect of self-efficacy, thus this correlation is unexpected. Self-efficacy also had unexpected relationships with age and tenure, younger individuals had more self-efficacy than did older individuals, \(r (138) = -.18, p < .10\), and individuals with more tenure had lower self-efficacy, \(r (138) = -.27, p < .05\). It is possible that these unique correlations were due to the self-efficacy scale being anchored oppositely than the other scales (i.e., a scale score of five had an anchor of strongly disagree), and some subjects may have misread the scale anchors. Therefore, these correlations may need to be interpreted cautiously.

Job tenure (calculated in years) was related to managerial experience (also calculated in years), \(r (138) = .46, p < .05\). Individuals who had worked longer at their
Table 2

Correlations among the Value Types and Leader Emergence Measures

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*aOne-tailed test.

*p < .10. **p < .05.

...job had more managerial experience. Job tenure and managerial experience were related to interpersonal decision-making. Individuals who had worked longer at their current job made more ethical interpersonal decisions than individuals who had lower tenure, r (138) = .22, p < .05, and individuals how had more managerial experience made more interpersonal ethical decision than individuals who had less experience, r (138) = .14, p <...
Job tenure and managerial experience were related to age. Older individuals were at their current job longer than younger individuals, $r (138) = .45, p < .05$. Older individuals had more years of managerial experience than younger individuals, $r (138) = .71, p < .05$. Job tenure was also related to gender, $r (138) = .19, p < .10$. Females had more years of managerial experience than males.

**Hypothesis Testing**

Hypothesis one stated that individuals high in self-transcendence values would make more ethical decisions than individuals high in self-enhancement values. This hypothesis was only partially supported. Of the six possible correlations, only one was significant. The organizational decision-making was significantly correlated with the enhancement value score, $r (138) = -.21, p < .05$, indicating that individuals who value self-enhancement tend to make unethical organizational decisions. There were no significant correlations between interpersonal decision-making and each of the independent variables. There were no significant correlations between the open-ended solution and the independent variables (see Table 2).

Hypothesis two stated that individuals low in conscientiousness would make less ethical decisions than individuals high in conscientiousness. This hypothesis was not supported. The correlations between each of the three dependant variables (interpersonal decisions, organizational decisions and the open-ended problem) and conscientiousness were not significant.

Hypothesis three stated that values would moderate the relationship between conscientiousness and ethical decision-making. Hierarchical regression analyses were
performed to test this hypothesis. Three regression analyses were performed, one for each of the three criteria used to assess ethical decision-making. These criteria were organizational decision-making, interpersonal decision-making, and the open-ended problem. The predictors used for these analyses were self-enhancement, self-transcendence, conscientiousness and the interaction between each of the values and conscientiousness.

In the first regression analysis, organizational decision-making was regressed on self-enhancement and self-transcendence in the first step. In the second step, conscientiousness was added. In the third step, the effects of the interaction terms were tested. The second regression used interpersonal decision-making as the criterion, with the same procedures. The third regression used the opened-ended problem variable as the criterion, again with the same procedures. Results for all three regression analyses are presented in Table 3.

The results indicated that the value variables did account for a significant amount of variance in the first step of the organizational decision-making model, $F(2,138) = 3.03, p < .05$. A total of 4% of the variance in organizational decision-making was accounted for by self-enhancement and self-transcendental values (see Table 3). The self-enhancement values provided a significant unique contribution to the model, $\beta(138) = -.20, p < .05$, suggesting that individuals high in self-enhancement made more unethical organizational decisions. When conscientiousness was added to the organizational decision-making model, the model was no longer significant. Conscientiousness also did not add any incremental variance above and beyond what was already accounted for by
### Table 3

**Predicting the Effect of Conscientiousness on Ethical Decision-Making**

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<td>-.14</td>
</tr>
<tr>
<td>Self-transcendent</td>
<td>.03</td>
<td>.06</td>
<td>.01</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>-.01</td>
<td>.00</td>
<td>.04</td>
</tr>
<tr>
<td>Self-enhance x Conscientiousness</td>
<td>.21</td>
<td>.16</td>
<td>.01</td>
</tr>
<tr>
<td>Self-transcend x Conscientiousness</td>
<td>-.17</td>
<td>-.01</td>
<td>-.09</td>
</tr>
</tbody>
</table>

* $p < .10$. ** $p < .05$. 
the values. The model was also not significant when the interactions were added. The interactions did not account for any significant variance above and beyond what was accounted for by the other independent variables.

Self-enhancement and self-transcendence values did not account for a significant amount of variance in interpersonal decision-making or the open-ended problem. When conscientiousness was added to the interpersonal decision-making model and the open-ended problem model, neither of the models became significant. Conscientiousness did not add incremental variance above what was already accounted for by the values. Neither of the models was significant when the interactions between conscientiousness and self-enhancement and conscientiousness and the self-transcendence were added. The interaction terms did not account for any variance above and beyond what was accounted for by values and conscientiousness. None of the predictors produced a significant unique contribution to either the interpersonal decision-making model or the open-ended solution model. Therefore, hypothesis three was not supported. Conscientiousness did not moderate the relationship between values and ethical decision-making.

Hypothesis four stated that individuals high in self-efficacy would make more ethical decisions than individuals low in self-efficacy. The correlations between self-efficacy and the three dependant variables (interpersonal decision-making, organizational decision-making and the open-ended solution) indicated that this hypothesis was not supported (see Table 4). Therefore, individuals high in self-efficacy did not make more ethical decisions than individuals low in self-efficacy.
Table 4

Predicting the Effect of Self-Efficacy on Ethical Decision-Making

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Organizational</th>
<th>Interpersonal</th>
<th>Open-ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R^2</td>
<td>ΔR^2</td>
<td>Beta</td>
</tr>
<tr>
<td>Step 1</td>
<td>.04*</td>
<td>.04*</td>
<td>.02</td>
</tr>
<tr>
<td>Self-enhancement</td>
<td>-.20**</td>
<td>-.14</td>
<td>-.13</td>
</tr>
<tr>
<td>Self-transcendent</td>
<td>-.01</td>
<td>.03</td>
<td>.01</td>
</tr>
<tr>
<td>Step 2</td>
<td>.05*</td>
<td>.00</td>
<td>.02</td>
</tr>
<tr>
<td>Self-enhancement</td>
<td>-.20**</td>
<td>-.14</td>
<td>-.13</td>
</tr>
<tr>
<td>Self-transcendent</td>
<td>-.01</td>
<td>.03</td>
<td>.01</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>-.06</td>
<td>.00</td>
<td>.02</td>
</tr>
<tr>
<td>Step 3</td>
<td>.07*</td>
<td>.02</td>
<td>.02</td>
</tr>
<tr>
<td>Self-enhancement</td>
<td>-.22**</td>
<td>-.14</td>
<td>-.13</td>
</tr>
<tr>
<td>Self-transcendent</td>
<td>.03</td>
<td>.03</td>
<td>.02</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>-.05</td>
<td>.01</td>
<td>-.01</td>
</tr>
<tr>
<td>Self-enhance x Self-efficacy</td>
<td>.05</td>
<td>-.02</td>
<td>.16</td>
</tr>
<tr>
<td>Self-transcend x Self-efficacy</td>
<td>-.18*</td>
<td>.00</td>
<td>-.05</td>
</tr>
</tbody>
</table>

*p < .10. **p < .05.
To test the hypothesis that values would moderate the relationship between self-efficacy and ethical decision-making, hierarchal regression analyses similar to those used to analyze conscientiousness and ethical decision-making were performed. Three criteria, organizational decision-making, interpersonal decision-making, and the open-ended solution, were used to assess ethical decision-making. The predictors used for these analyses were the self-enhancement values, self-transcendence values, self-efficacy and the interaction between values and self-efficacy.

In the first regression analysis, organizational decision-making was regressed on self-enhancement and self-transcendence values in the first step. Self-efficacy was added in the second step, and the interactions between self-efficacy and self-transcendence and self-efficacy and self-enhancement were added in the third step. The second regression used interpersonal decision-making as the criterion, with the same procedures. The third regression used the opened-ended problem solutions as the criterion, with the same predictors. Results for all three regression analyses are presented in Table 4.

The results indicated that the value variables did account for a significant amount of variance in the first step of the organizational decision-making model, $F(2,138) = 3.03, p < .05$. A total of 4% of the variance in organizational decision-making was accounted for by self-enhancement and self-transcendent values. The self-enhancement values did provide a significant unique contribution to the model, $\beta(138) = -.20, p < .05$. When self-efficacy was added to the organizational decision-making model, the model was marginally significant, $F(3,137) = 2.20, p = .09$; however, self-efficacy did not add any significant variance above and beyond what was already accounted for by the self-
enhancement and self-transcendence values, $\Delta R^2 = .004$, $\Delta F (1, 137) = .56$, $ns$. The model remained marginally significant when the interactions were added, $F (5, 135) = 2.03$, $p = .07$, though the increment in $R^2$ change due to the interactions was not significant, $\Delta R^2 = .02$, $\Delta F (2, 135) = 1.73$, $ns$. Therefore the interaction did not add a significant contribution to the model and will not be discussed.

Self-enhancement and self-transcendence values did not account for a significant amount of variance in the interpersonal decision-making model or the open-ended problem model (see Table 4). When self-efficacy was added to each of the models, it did not account for a significant amount of variance above and beyond what was accounted for by the self-enhancement and self-transcendence values. The interactions between self-efficacy and the self-enhancement values and self-efficacy and the self-transcendence values did not add significantly to the model. None of the predictors produced a significant unique contribution to either of the models.

Lastly, exploratory analyses were run to investigate the effect of all the predictor variables on ethical decision-making. The same criteria were used. The predictors used were the self-enhancement values, self-transcendence values, conscientiousness, self-efficacy, and moral self-efficacy. The predictors were all entered simultaneously.

Results for all three regression analyses are presented in Table 5. The predictors did not account for a significant amount of variance in organizational decision-making. The predictors did not account for a significant amount of variance when considering the interpersonal decision-making model. None of the predictors produced a significant unique contribution in the interpersonal model. The predictors also did not account for a
Table 5

*Predicting the Effect of Conscientiousness, Self-efficacy and Moral Self-Efficacy on Ethical Decision-Making*

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Organizational</th>
<th>Interpersonal</th>
<th>Open-ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$R^2$</td>
<td>$\Delta R^2$</td>
<td>Beta</td>
</tr>
<tr>
<td>Model</td>
<td>.05</td>
<td>.05</td>
<td>.02</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>.02</td>
<td></td>
<td>.01</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>-.03</td>
<td>-.11</td>
<td>-.13</td>
</tr>
<tr>
<td>Moral self-efficacy</td>
<td>-.04</td>
<td>.15</td>
<td>.15</td>
</tr>
<tr>
<td>Enhancement</td>
<td>.20*</td>
<td>.14</td>
<td>-.14</td>
</tr>
<tr>
<td>Transcendent</td>
<td>.01</td>
<td>-.03</td>
<td>.02</td>
</tr>
</tbody>
</table>

*p < .05

The lack of significant results led to a closer evaluation of the variables used in the analyses. The low internal consistencies of the interpersonal or organizational in-basket scales led to a reexamination of these scales. An exploratory factor analysis was performed to evaluate the item loadings of these scales (see Table 6). The factor analysis forced the scale items to load into one of two categories. It was revealed that the first
Table 6

*Factor Analysis of In-basket Items*

<table>
<thead>
<tr>
<th>Factor loadings</th>
<th>Category 1</th>
<th>Category 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-basket item 1</td>
<td>.40*</td>
<td></td>
</tr>
<tr>
<td>In-basket item 2</td>
<td>.53*</td>
<td></td>
</tr>
<tr>
<td>In-basket item 4</td>
<td>.44*</td>
<td></td>
</tr>
<tr>
<td>In-basket item 6</td>
<td>.43*</td>
<td></td>
</tr>
<tr>
<td>In-basket item 7</td>
<td>-.50*</td>
<td></td>
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<tr>
<td>In-basket item 8</td>
<td>.49*</td>
<td></td>
</tr>
<tr>
<td>In-basket item 10</td>
<td>-.19</td>
<td></td>
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<tr>
<td>In-basket item 12</td>
<td>-.51*</td>
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<tr>
<td>In-basket item 13</td>
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<tr>
<td>In-basket item 15</td>
<td>.33*</td>
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<td>In-basket item 16</td>
<td>.66*</td>
<td></td>
</tr>
<tr>
<td>In-basket item 18</td>
<td>-.60*</td>
<td></td>
</tr>
<tr>
<td>In-basket item 19</td>
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<td></td>
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<tr>
<td>In-basket item 20</td>
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</tr>
<tr>
<td>In-basket item 24</td>
<td>-.27</td>
<td></td>
</tr>
</tbody>
</table>

*Item considered a significant factor loading.*
category contained four items from the interpersonal decision-making scale and two items from the organizational decision-making scale. The second category contained three items from the organizational decision-making scale and one item from the interpersonal decision-making scale. The results of the factor analysis showed that the two new categories contained a mixture of interpersonal and organizational in-basket items. Underlining constructs explaining the mixture of interpersonal and organizational items could not be determined. Therefore, the new categories were not used for further analyses.
Chapter 9

Discussion

Summary of Study Results

One finding emerged from this study, a correlation between self-enhancement and organizational decision-making was identified. People high in self-enhancement values made less ethical organizational decisions. This finding gives partial support to the first hypothesis of this study, which stated that people high in self-transcendence would make more ethical decisions than individuals high in self-enhancement. As suggested earlier, other studies have also found that individuals with self-enhancement values tend to make more unethical decisions. Howell and Avolio (1992) found that personalized leaders, leaders who are more concerned with their needs than with the needs of others, are more unethical than are socialized leaders. Their study, as well as studies by O’Connor et al. (1995) and Howell (1998), suggest that personalized leaders possess self-enhancement values and would, therefore, be less ethical than socialized leaders, who possess more self-transcendence values. These studies support the current finding that individuals valuing self-enhancement are less ethical.

Study Limitation and Future Implications

The assessment of ethical decision-making in the current study resulted in a number of limitations. First, ethics was defined as any decision or solution that negatively affects an organization’s long-term goals or an organization’s employees. Defining ethics was challenging because ethics are mandated by societal and organizational norms.
Defining ethics differently may affect the study results. Future studies may want to consider other definitions of ethics.

Second, the ethical scenarios in the in-basket and open-ended problem were intended to depict real life decisions; however, it is possible that individuals responded differently than they would have, had they actually experienced the situation. The motive for participants' answers is unknown; therefore, we cannot be sure that decisions made by participants were due to ethical principles. James (1998) explained that a person's justification for an action may tell more about that individual than the action itself. For example, individuals may have answered the open-ended question ethically by saying that they would not sell books to the radical organization; however, their reason for that answer may not have been because selling the books is ethically wrong, but that they were afraid of losing customers. James, McIntyre, Glisson, and Bowler (2004) expanded on this idea by looking at how individuals justify aggressive actions. James et al. suggested that the aggressive motive within aggressive individuals is unconscious and conflicts with a need to be moral, prosocial, and capable of self-control. The need to maintain their self-worth causes these individuals to become defensive and use aggression to maintain their favorable view of themselves. These individuals can rationalize their aggressive behavior as a means of protecting their self-worth. Therefore, these individuals may harm others, but feel justified in doing so. James et al. suggested that aggressive individuals use several different justification mechanisms to explain their actions such as being victimized or seeing malicious behaviors in others.
James et al. (2005) created a scale to measure conditional reasoning in aggressive individuals. Future researchers may want to consider including this conditional reasoning scale. The scale may reveal more about individuals' justification for ethical and unethical decisions. Also, a request to justify the decision in future exercises may give more in-depth information about an individuals' motive for decisions. This information could then be used to help develop ethical behaviors or eliminate unethical behaviors.

Several participants also wanted to give more information about their decisions. Participants were only allowed to respond with a yes or no answer to the in-basket questions. Many participants commented that they wanted to explain their answers. The dichotomized response scale may have affected the participants' answers and did not reflect their intentions. Participants may have responded with what was considered an unethical choice, but actually had ethical intentions. The dichotomized answers may have also decreased variance within the dependent variable. This lack of variance would minimize the ability to see the effectiveness of the independent variable.

Future research may want to consider modifying the in-basket so that participants could explain their answers, especially if the in-basket is used with participants knowledgeable in business. This modification could include an open-ended response or the scale could be expanded to a five-point scale. Modifying the in-basket to include one of these options may create more variance, which may lead to more significant results.

A possible detriment to this study was participant fatigue. The length of the in-basket exercise and the non-random order of the materials may have jeopardized responses to certain instruments. Most participants took an hour or more to complete the
entire study. The majority of this time was spent responding to the in-basket questions. The in-basket was fairly long due to the filler. After individuals completed all the surveys and in-basket item, they were asked about the intent of the study. Most individuals guessed that the study was associated with ethical decision-making. The effectiveness of the in-basket filler items seems to have been minimal, and it may be more beneficial to shorten the in-basket to help reduce fatigue.

Fatigue may also have been present as participants completed the instruments that followed the in-basket. The conscientiousness, values, and self-efficacy surveys were always put at the end of the study so that individuals would not be cued into these constructs when answering the ethical dilemmas. Fatigue effects may be one explanation for the correlation between self-enhancement and self-transcendence. Participants may have been tired or rushed to finish the values survey and may not have adequately thought about their values. Future research studies may want to evaluate the ordering of the surveys, in addition to shortening the in-basket exercise.

Another factor that may have affected the findings in the current study is the sample. The current study used a non-random sample of individuals enrolled in graduate-level business classes. Therefore we cannot suggest that these results would generalize to different samples. Future research should test the results with different sample populations. Aspects of this study were tested on undergraduate students and different results were found.

It is also possible that the design of the in-basket was less effective for the sample at hand. The experience and knowledge of the sample in the present study may have
caused participants to focus on details within the in-basket items that other samples ignored or considered irrelevant, resulting in different findings.

Future research may also want to address situational variables. The current study only addressed how individual differences affected ethical decision-making. Although it was mentioned earlier that situational variables would not be addressed, it has been shown that situational variables affect ethical decision-making. Because situational differences were not evaluated, they become confounded within the individual difference results. This confounding could have affected the study results. Future studies may want to consider measuring situational variables, if not as a variable of interest, at least to control for their effects when analyzing other variables.

An interesting result revealed in the study was that only the organizational decisions in the in-basket were found to have significant results. None of the independent variables accounted for significant variance in the interpersonal decisions within the in-basket or the open-ended question. It is not known why only organizational results were found. This result could be due to the study sample, the nature of the individual difference variables measure, or could be a result of chance.

The correlations between self-efficacy and moral efficacy, self-efficacy and age, and tenure and self-efficacy were also unique. It is possible that these unique findings were due to participants misreading the scale anchors. Future research should modify the anchors of the self-efficacy scale so that they are in the same direction as the other scales.

The correlation between self-enhancement and self-transcendence values is a unique result found in the study. Theoretically, these values should be opposite each
other on a bi-polar scale, allowing a value continuum to be formed (Schwartz, 1992). In the present study, the values were correlated, suggesting that people who valued self-enhancement also valued self-transcendence. The current results are contradictory to the results found by Schwartz (1992). Due to the correlation of the self-enhancement and self-transcendence values, the values were analyzed separately instead of combining them into a value continuum. The lack of a value continuum may have affected how values related to ethical decision-making in this study.

It is also possible that individuals' rated specific values within the self-enhancement scale high, as well as rating specific values within the self-transcendence scale high. As mentioned earlier, the self enhancement values consist of achievement, power, and hedonism, whereas the self-transcendence values consist of universalism and benevolence. It would be possible for an individual to value aspects of both. For example, an individual could value universalism and benevolence as well as achievement. The theory of personalized and socialized leadership actually supports this view (Howell, 1988; O'Connor et al., 1995). According to Howell (1988), both types of leaders' value achievement; however, personalized leaders want to achieve to gain personal power whereas socialized leaders want to achieve to better the organization. If an individual did value aspects of both self-enhancement and self-transcendence, then the values would correlate. It is possible that value combinations other than self-enhancement and self-transcendence values may exist and are more appropriate when predicting ethical behavior.
Correlation analyses were conducted to determine if a pattern other than that suggested by the circumplex structure was detected. Many of the values were correlated with each other, including self-enhancement and self-transcendence values. What was of most interest was the high correlation between achievement and universalism and between achievement and benevolence. These correlations suggest that individuals high in self-transcendence values also valued achievement. Therefore, for this particular sample, participants valued aspects of both self-enhancement and self-transcendence, which may be a cause for the correlation between self-enhancement and self-transcendence.

*Practical Implications*

It is important for organizations to explore ethical and unethical behaviors of leaders. By studying these behaviors, more information may be obtained to explain why leaders act unethically and to create steps that can be taken to reduce unethical behavior. The results of this study suggested that unethical behavior may be related to self-enhancement values.

Organizations can use this information in several ways to help reduce unethical behavior or to facilitate ethical behavior. One option for organizations is to select people who do not have high self-enhancement values. However, this option may not be very realistic considering that individuals with self-enhancement values may provide other services and contributions to the organization that would be lost by not selecting them. Also, as mentioned before, some aspects of self-enhancement such as achievement may be highly coveted by organizations. Therefore, organizations may hinder their success by
eliminating individuals who value self-enhancement in the selection process.

A more realistic solution may be to evaluate unethical actions that have resulted in personal gain for individuals. For example, some organizations may inadvertently reward unethical behavior with promotions or positive recognition, especially if the behavior saved the organization money, produced public scrutiny, or resulted in profit. Organizations may decrease unethical activity by rewarding or promoting ethical activity in a self-enhancement fashion. For example, organizations may want to reward whistle blowers or recognize individuals who have made fair or legal decisions in situations where unfair or illegal decisions were appealing. By associating personal gain with ethical behaviors, individuals who value self-enhancement may choose ethical behaviors over unethical behaviors.

The in-basket revealed that results only related to organizational decision making. These results may have revealed that there are differences between interpersonal and organizational decisions. In this study, organizational decisions were predicted by values but interpersonal decisions were not. Therefore, different variables may affect one type of decision differently than the other. These differences may greatly affect research in the decision-making field and the application of findings regarding ethical decision-making in organizations. For example, organizations that participate in decision-making training may need to train and evaluate these types of decisions differently.

**Conclusions**

In general, the results of this study provided evidence that the relationship between values and ethical decision making is complex. The results suggest that
individuals with self-enhancement values may be less ethical in terms of organizational decision-making. However, this was the only significant result found. This may suggest that more research is needed to determine how values affect ethics. Future research may include addressing the motivation and reasoning underlining ethical decision-making as well as some of the method and procedural issues discussed earlier.
References


Goldberg, L. R. (1999). A broad-bandwidth, public domain, personality inventory measuring the lower-level facets of several five-factor models. In I. Mervielde, I. Deary, F. De Fruyt, & F. Ostendorf (Eds.), *Personality Psychology in Europe,* (pp. 7-28). Tilburg, The Netherlands: Tilburg University Press.


James, L. R., McIntyre, M. D., Glisson, C. A., & Bowler, J. L. (2004). The conditional


Appendix A

In-Basket Instructions
Introductory Material

Welcome to this managerial assessment center. As you already know, this study requires you to complete part of a job assessment center. Many organizations use management training programs prior to placing employees in leadership roles. Usually, there are many applicants who qualify for this training and thus, give organizations a way to determine who is likely to be a competent leader and therefore worth the training investment. This initial screening enables an organization to be more confident that the individual will be a successful manager and will be a “good match” with the organization. Assessment centers are designed to comprehensively screen applicants. Typically, they are used as part of the selection procedure because studies have demonstrated that they are effective predictors of future job success.

For management positions, an assessment center exercise can include activities that a manager would have to do on any given day. Typically, applicants are asked to assume the role of a manager and are evaluated on their performance in that role. One of the most common assessment center exercises is the in-basket exercise. This exercise requires applicants to assume the role of a manager in a specific organization and respond to several scenarios. In a few minutes, you will be asked to complete an in-basket exercise. Similar to an actual assessment center, once you finish the in-basket, you will be asked to complete several questionnaires. You should answer these questionnaires as yourself - no longer assuming the role of the manager. In addition, we need you to answer honestly so that we can make an accurate assessment of the effectiveness of these
exercises. Do not assume that any answer is better than any other just be honest and accurate in your answers.

Remember that all information will be kept confidential and there will be no way to match an individual with his/her answers. Thank you for your participation.

For these exercises, you are asked to assume the role of a District Manager for a large, national bookstore chain called Readers. Your office is located in Omaha, Nebraska. You will be doing work that is representative of a District Manager’s job. The in-basket packet contains items from the desk of Kris Johnson, Readers’ Nebraska District Manager. The problems are typical of those faced by a manager in this position. The current date is January 20th, 2004.

As the Nebraska District Manager, you are in charge of five Readers bookstores, three in Omaha and two in Lincoln. In addition to being district manager, you also manage one of the Omaha stores. This store employs five supervisors, all of whom report to you. The four other stores have store managers who also report to you. However, these managers are in charge of hiring their own store supervisors and other employees.

The Nebraska District has two main income sources. First, and most obvious, you sell books to customers who come into your stores. Second, you sell larger quantities of books to smaller Nebraska bookstores, who then sell them to their customers. Because you purchase large quantities of books from publishers, it is cheaper for these smaller bookstores to purchase books through you than to get them directly from the publisher. Agreements with particular publishers allow you to offer this service. You employ two sales representatives whose sole job is to sell books to these smaller stores, which are
located across Nebraska and parts of western Iowa. You also employ two purchasing agents who are in charge of purchasing books from publishers and ensuring that you have the latest and most popular titles in stock.

Readers is one of the largest national bookstore chains. They sell all types of reading materials along with a few other gift items (such as bookmarks, music, etc.). Readers has been experiencing some financial difficulty in the past two years, which has resulted in sales declines and increased turnover. The main reason for these difficulties is the national expansion of another bookstore chain, the Book Barn. The Book Barn has two new locations in Omaha that have hurt your sales, as they have at stores across the United States. Thus, one of the major concerns at Readers is to increase sales and reverse this trend. Personally, you have worked at Readers for over 15 years, having started out at the corporate office in St. Louis, Missouri and moved up through the ranks to District Manager. You have held your current position for 6 years.

Included with this packet are charts depicting the hierarchy existing at Readers' at both the corporate and district levels. Read through all the information carefully and use it in making your decisions and responding to the materials. All work should be done individually, as if you are Kris Johnson performing the job of District Manager. You have as much time as you need to complete the exercises.
Please keep the following information in mind as you do the exercises:

- Respond to all items honestly as you would if you were in the position described. Do not try to present yourself in any special way. In order to evaluate the quality of this exercise accurately, we need you to answer honestly. Remember that all answers are anonymous.
- As Kris Johnson, you are responsible for supervising two purchasing agents, two sales reps, four store managers, and five store supervisors.
- Your immediate supervisor is Holly Jacobsen, the Midwest Regional Manager.
- The date is January 20, 2004.
- Familiarize yourself with the organizational charts and keep them out for reference as you complete the exercises.
- Please answer the assessment center materials in the order they appear.

If you have any questions, please ask the facilitator who gave you these materials.

Please do not put your name on any of these materials.
Appendix B

Readers’ National Hierarchy
Readers Booksellers
Corporate Hierarchy

John Dancy
President / CEO

Sarah Nethland
Administrative Assistant

Amy Lando
Vice President of Operations

Jimmy Done
Vice President of Sales

Bill Bruce
Executive Manager

Kelly Ploumert
Executive Manager

Jammie Holdbert
Regional Manager
Northwestern U.S.

Jeff Willoby
Regional Manager
Southeastern U.S.

Holly Jacobsen
Regional Manager
Midwestern U.S.

Julie Fowley
Regional Manager
Western U.S.

District Managers

District Managers

District Managers

District Managers (Kris Johnson)
Appendix C

Readers’ Nebraska Hierarchy
Appendix D

Problem-Solving Item
Exercise One

Below is a problem that you, as District Manager Kris Johnson, must solve. Read through the problem carefully and then turn the page. Once you have read the problem and have proceeded to the next page, feel free to turn back and reread the problem scenario whenever you desire.

You (Kris Johnson) have just been contacted by the Association for the Protection of Liberty (APL). APL is a controversial national organization, which, in their words, fights for the constitutional rights of all Americans. APL is holding its annual meeting in Omaha and would like you to provide it with the books it will need for their conference at a small discount. They would also like you to stock your store with titles it believes will be popular among members attending the conference. In exchange, APL will tell its members to come to your store to purchase books while at the conference. The extra profit these sales would provide will most likely push you well beyond your projected quarterly sales. Without these sales, you will definitely not meet your quarterly sales goal. Because your expenses for this quarter are higher than expected, exceeding your sales projection would be very beneficial when you submit your district budget request to your Regional Manager, Holly Jacobsen, next month. In addition, if you decline to work with APL, it is likely to strike a deal with Book Barn, your biggest competitor. Unfortunately, APL is very controversial and has been known to outwardly support policies and practices that many view as at least discriminatory if not dangerous. There are also accusations from some that APL secretly funds extremist militant groups around the United States. The media has already gotten word that APL has contacted your store and small numbers of people have begun protesting outside your three Omaha locations. You are afraid that if you agree to sell APL's books you may lose many of your loyal customers. What should you do?

In the space below, provide a solution to the problem and your reasoning for the solution. Feel free to reread the problem if you want.
Appendix E

In-basket Items
MEMO

TO: Kris Johnson

FROM: Debbie Patterson

DATE: 1-10-04

RE: Availability of Bestsellers

Kris,

I received a special request from Omaha Book Café last week for 200 bestsellers A.S.A.P. Inventory personnel informed me yesterday that because these titles have been on backorder, the new shipment that just came in has been allocated to customer special orders. Omaha Book Café is really putting the pressure on me for this order. Is there anything you can do?
As the branch manager, you have the ultimate say regarding the allocation of books. The Omaha Book Café is one of your largest customers. They purchase large quantities of books from you for a small discount and sell them in their café. However, they are also very demanding and unpredictable. You know that it is a good idea not to upset this delicate relationship or the Omaha Book Café may take its business to the newly opened Book Barn, your biggest competitor. In order to meet the café's request, you could divert book shipments from individual customer orders. However, those customers have already been waiting two months or more for their books. Do you divert the shipments?

Please answer using the computer answer sheet.

1. 1 2
   Yes No

2. On a scale of one to five, how satisfied are you with this decision?
   1 2 3 4 5
   Very Unsatisfied Very Satisfied

3. On a scale of one to five, how effective do you feel this decision would be if implemented?
   1 2 3 4 5
   Not at all effective Very Effective
Dear Kris:

You may have heard that I have been searching for a sales job in a somewhat smaller company because I feel that I have been compromising my responsibilities to my family. Right now, the amount of traveling I do to various book shows and conferences demands too much of my time and I am having problems at home. I have applied to several companies, and had a promising interview with Bill's Health Market. If all goes well, my time line for leaving Readers is the first week of April. They have asked for letters of recommendation and I was wondering if you would write one for me? This would be greatly appreciated. Please keep this confidential, as I have not yet received a formal offer from Bill's.

Sincerely,

Jacob Cunningham
One of your purchasing agents, Jacob Cunningham, has revealed that he is actively seeking a job at another company for personal reasons. You have no reason to doubt this employee's integrity, and he has received consistently high appraisals from you. However, this employee works on several key accounts and would be leaving at an inopportune time given the current financial problems. Two weeks after he plans to leave, you have a yearly performance review by senior management. You and other people would have to pick up the slack on many major accounts, which means your store will be in chaos that month. Not to mention, Jacob is the only purchasing agent whose buying recommendations have always resulted in profits. This could seriously affect the reviews you get from the corporate office. One option you have is to postpone writing the recommendation until after the performance review. Chances are you will not see Jacob before the review, but postponing writing the recommendation means that he may not get the job. Do you postpone writing the recommendation?

Please answer using the computer answer sheet.

4. 1 2
   Yes   No

5. On a scale of one to five, how satisfied are you with this decision?
   1  2  3  4  5
   Very Unsatisfied  Very Satisfied

6. On a scale of one to five, how effective do you feel this decision would be if implemented?
   1  2  3  4  5
   Not at all effective  Very Effective
MEMORANDUM

TO: Kris Johnson
FROM: Terry Solitow
DATE: 1-15-2004
RE: Performance review

Wondering about your decision concerning my performance review. Please let me know as soon as it is convenient.
In-basket Item #3 Continued

Your secretary, Terry, has written a letter of complaint concerning a performance review that you conducted. Terry has been dealing with a number of personal problems (not revealed to you before), which explains the poor performance. Previous performance by Terry has been good. It is unusual to reconsider a performance review, and it could make you appear wishy-washy to the other employees and managers. Do you conduct a new performance review?

Please answer using the computer answer sheet.

7. 1 2
   Yes  No

8. On a scale of one to five, how satisfied are you with this decision?

   1  2  3  4  5
   Very Unsatisfied  Very Satisfied

9. On a scale of one to five, how effective do you feel this decision would be if implemented?

   1  2  3  4  5
   Not at all effective  Very Effective
In-basket Item #4

To: __________________________________
Date: _______________ Time: ______________

WHILE YOU WERE OUT

M ___________________________________
of ___________________________________

Phone ___________________________________
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Message________________________________________
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Operator ____________________________________
In-basket Item #4 Continued

As a Nebraska District Manager, you are responsible for figuring out your district's budget and reporting it to the Regional Manager, Holly Jacobsen, for inclusion in the overall budget for Readers. Expenses in your region were higher than normal this quarter, and sales are the same as last quarter. You are aware that presentation of expenses is very important in how the budget is figured out and how money is allocated each quarter. Because you worked at the corporate office before becoming a district manager, you know that other managers have commonly made a few adjustments to their account balances to make expenses look lower. If you do not make the adjustments, your district's budget will get cut. Do you make the adjustments?

Please answer using the computer answer sheet.

10. 1 2
    Yes  No

11. On a scale of one to five, how satisfied are you with this decision?
    1  2  3  4  5
    Very Unsatisfied  Very Satisfied

12. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1  2  3  4  5
    Not at all effective  Very Effective
Kris,

I would like to stop by to chat with you about the committee meeting

Thanks,
Brenda
Legislation is being considered by Congress that would allow your market to be flooded with Internet companies. Readers has formed an executive committee, of which you are a member, to study the issue. This committee is split. One side argues that Internet competition will not be a problem because they will target an area and audience different from Readers. Additionally, this side believes that the quality of the Internet products and service is inferior and as such, competitors will go bankrupt relatively quickly. Readers could then step in and buy the companies at a reduced rate, thus expanding into new markets and areas. The other side opposes the entry of Internet competition. They are concerned that Internet companies could establish a toehold and threaten Readers' market share as they eventually expand into product lines that Readers currently carries. Would you vote to oppose Internet competition in the market?

Please answer using the computer answer sheet.

13. 1   2
    Yes   No

14. On a scale of one to five, how satisfied are you with this decision?
    1   2   3   4   5
    Very Unsatisfied   Very Satisfied

15. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1   2   3   4   5
    Not at all effective   Very Effective
In-basket Item #6

To: ________________________________

Date: ______________ Time: ______________

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of ___________________________________

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Message_____________________________________

____________________________________________

Operator
Beth Baskenny, your excellent Lincoln sales representative, is currently asking that her bonus for the quarter be raised to an amount higher than any other sales representative in the midwestern region. In your view, there is nothing in her quarterly sales to merit the raise, but she is a favorite of Kelly Ploumert, your executive manager. You have already raised her bonuses in previous quarters. You had hoped to award a larger bonus to your up-and-coming sales representative, Debbie Patterson, who has done an excellent job with the difficult Omaha Book Café account and other accounts. However, Beth is having lunch with Kelly next week, just before the new budgets are due. If you increase Beth's bonus, you will need to reduce Debbie's bonus. Debbie wouldn't know because the district budget is your responsibility and therefore not yet public. Do you increase Beth's bonus?

Please answer using the computer answer sheet.

16. 1  2
    Yes  No

17. On a scale of one to five, how satisfied are you with this decision?
    1  2  3  4  5
    Very Unsatisfied  Very Satisfied

18. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1  2  3  4  5
    Not at all effective  Very Effective
January 7, 2004

Kris Johnson
District Manager
Readers Booksellers
1717 Dodge St.
Omaha, NE 68184

Dear Kris,

After talking with Consolidated Investments, Inc., the following investment plans were discussed:

A. Short-term high yield bond; 20% - 30% profit in one year.
   Note: HIGH RISK - tied to the market

B. Long-term mutual fund offering 5% interest a year
   Note: LOW RISK

Please advise me of your decision.

Sincerely,

John Quincy, Esquire
In-basket Item #7 Continued

One of your tasks as District Manager is to decide what to do with the investment funds each year. You have found a junk bond that pays a very high interest rate in a short period of time but there is also high risk associated with it. You have also found a very reputable mutual fund that promises steady long-term growth. This fund will take about 10 years to really start paying dividends (by which time you will probably not be in this job). Do you go with the long-term mutual fund?

Please answer using the computer answer sheet.

19.  
1  2
Yes  No

20.  On a scale of one to five, how satisfied are you with this decision?

1  2  3  4  5
Very Unsatisfied  Very Satisfied

21.  On a scale of one to five, how effective do you feel this decision would be if implemented?

1  2  3  4  5
Not at all effective  Very Effective
In-basket Item #8

To: __________________________________

Date: ______________ Time: ______________

WHILE YOU WERE OUT

M ___________________________________
of ___________________________________

Phone _______________________________
Area Code Number Extension

Telephoned Please Call
Returned Your Call Will Call Again
Wants To See You URGENT

Message ____________________________________________________________

____________________________

Operator
Marty is the representative for a major book distributor, NABS (National Association of BookSellers), from whom you purchase many of your books. You have known him a long time, in fact, he became the rep for NABS about the same time you got the Regional Manager job in Omaha. Because of your friendship, Marty commonly contacts you first about recent book publications, which often allows you to get the new publications on your shelf a few days before your competitors. Marty’s son, Mark, needs a job. You recently interviewed him and he did O.K., but there is another candidate who did better. In addition, you are in the process of negotiating an addition to NABS’s contract. Do you hire Mark?

Please answer using the computer answer sheet.

22. A. Yes  
   B. No

23. On a scale of one to five, how satisfied are you with this decision?
   
   Very Unsatisfied  1  2  3  4  5  Very Satisfied

24. On a scale of one to five, how effective do you feel this decision would be if implemented?
   
   Not at all effective  1  2  3  4  5  Very Effective
ATTENTION READERS’ MANAGERS AND SALES REPRESENTATIVES

IT IS IMPORTANT THAT SALES REPRESENTATIVES ARE ACCURATE IN REPORTING THEIR EXPENSES. ANY SUSPECTED MISAPPROPRIATION OF FUNDS OR SUSPICIOUS EXPENSE REPORTS SHOULD BE BROUGHT TO YOUR EXECUTIVE MANAGER’S ATTENTION IMMEDIATELY.
In-basket Item #9 Continued

One of your sales reps has been turning in unusually large expense reports for the past two months. You know of no changes in this person's account load, which causes you to wonder why the expenses are so high. You have never known this person to be dishonest and have never asked to see records of her expenses. However, Readers has started to crack down on people who are misappropriating funds. You have just received a policy statement from the President regarding this serious matter. As District Manager, you are responsible for monitoring these accounts. Do you ask this rep to turn in receipts?

Please answer using the computer answer sheet.

25. 1  2  3  4  5
Yes       No

26. On a scale of one to five, how satisfied are you with this decision?

1  2  3  4  5
Very Unsatisfied Very Satisfied

27. On a scale of one to five, how effective do you feel this decision would be if implemented?

1  2  3  4  5
Not at all effective Very Effective
Dear Kris:

I am writing this letter because I’m very concerned about Debbie Patterson. She’s been very successful on the Omaha Book Café account as we all know, but I’ve noticed some disconcerting things that I think you should be aware of.

First, she often has to go home after taking the people from the Omaha Book Café out to lunch, because she has had too many drinks. I’m worried that she is driving while she’s drunk. I know she has started attending Alcoholics Anonymous meetings. However, from my experience with an alcoholic family member, I know it will be hard for her to handle even social drinking initially.

It hasn’t shown in her work yet, but I think something needs to be done soon. This makes me look like a snitch, but I’m very concerned about Debbie. I’m also not the only one who has noticed this. Please do something ----

A concerned friend
One of your best sales reps, Debbie Patterson, has a long established relationship with the Omaha Book Café, a very important account. Readers’ relationship with this company has always been precarious because of a deal that fell through a few years back (before Debbie handled the account). To add to this, the new presence of Book Barn in Omaha, your number one national competitor, provides the Omaha Book Café with another potential book source. Debbie has been successful with this client, but has paid a price in terms of the amount of time she must spend socializing with them. Next month, a contract negotiation meeting is coming up with the Omaha Book Café. If the meeting goes well, profits from this account will increase 40% because the Café is opening two new stores. Do you pull her off the account, even though doing so could jeopardize the account?

Please answer using the computer answer sheet.

28. 1 2  
   Yes  No

29. On a scale of one to five, how satisfied are you with this decision? 
   1  2  3  4  5 
   Very Unsatisfied  Very Satisfied

30. On a scale of one to five, how effective do you feel this decision would be if implemented? 
   1  2  3  4  5 
   Not at all effective  Very Effective
In-basket Item #11

Sarah,

What was that Lunch receipt all About?
Sarah Nethland, your boss's secretary, is a very talented person who acts more as an administrator. It is often more expedient to let her sign your name to get various authorizations for product allocations, expense allowances, etc. She recently authorized expense account money for a luncheon that was organized for another secretary's birthday. Twenty people attended and the bill was quite high. Sarah has never authorized anything like this before. Do you ask her to collect money from those who attended to pay for the luncheon?

Please answer using the computer answer sheet.

31. 1  2
   Yes  No

32. On a scale of one to five, how satisfied are you with this decision?
   1  2  3  4  5
   Very Unsatisfied  Very Satisfied

33. On a scale of one to five, how effective do you feel this decision would be if implemented?
   1  2  3  4  5
   Not at all effective  Very Effective
In-basket Item #12

January 10, 2004

Kris Johnson
District Manager
Readers Booksellers
1717 Dodge St.
Omaha, NE 68184

Dear M_. Johnson,

I have been experiencing problems with Peggy Goldstein, the purchasing agent who is handling Book America's account. She appears to have an attitude problem. For the last three appointments, she has been five to ten minutes late, and proceeds to try to negotiate unreasonable purchase prices for books she wants to buy for your stores.

Additionally, an order of books she placed last month was not shipped because she never returned the order confirmation. When I contacted her about this order, she said that the order confirmation was still being processed. This cost me several hundred dollars because these books would have been sold to other bookstores. If your employee cannot maintain the contractual agreement we signed, I will have to cancel your account and you will have to purchase books from another distributor.

Sincerely,

Thurstone Pinafore
Sales Representative
Book America
In-basket Item #12 Continued

Peggy Goldstein is one of your younger, less experienced but promising purchasing agents who works extremely hard and is learning the business. She has been having problems with Mr. Pinafore, a valuable distributor to Readers. Book America provides Readers with most of its reference titles. You feel that your agent's relationship with this distributor could jeopardize the account. After looking into the matter, you find out that this distributor has had problems with other agents in the past. Do you leave Peggy on the account?

Please answer using the computer answer sheet.

34. 1   2
    Yes  No

35. On a scale of one to five, how satisfied are you with this decision?
    1  2  3  4  5
    Very Unsatisfied  Very Satisfied

36. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1  2  3  4  5
    Not at all effective  Very Effective
MEMORANDUM

TO: Kris Johnson

FROM: John Dancy, President / CEO Readers Booksellers

DATE: 1-11-2004

RE: Executive Advisory Board meeting

Dear Kris,

The Executive Advisory Board has set this month's meeting for Thursday, February 15 at 2:00 PM. We will be discussing the future of Readers' CoffeeStop branch. As you know, sales have been down in this branch for the last two quarters. Recently, an opportunity has arisen to sell the branch at a sizable profit. We plan to discuss this issue and vote on it in the meeting.
In-basket Item #13 Continued

Five years ago Readers started offering coffee and pastries to customers by opening the CoffeeStop branch. These small café's were either inside the bookstore or in a small building next door. Unfortunately, the CoffeeStop branch has been doing poorly in sales for the last two quarters. You know this is probably due to economic factors, namely, a decrease in nationwide consumer buying, especially the buying of those products that are considered more of a luxury than a necessity, such as specialty coffees. However, this branch appears to show long-term promise, especially given the promising new economic forecasts. The President seems to be leaning strongly towards selling the branch. If this happens, Readers will make a fairly large profit at a time when sales are dipping. Will you vote to keep the branch?

Please answer using the computer answer sheet.

37. 1 2
   Yes No

38. On a scale of one to five, how satisfied are you with this decision?
   1 2 3 4 5
   Very Unsatisfied Very Satisfied

39. On a scale of one to five, how effective do you feel this decision would be if implemented?
   1 2 3 4 5
   Not at all effective Very Effective
In-basket Item #14

To: ___________________________________
Date: _______________ Time: _______________

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of _______________________________________

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Message ______________________________________
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Operator
In-basket Item #14 Continued

You were supposed to return a call to a client of yours, Mr. Khun. He has a reputation for being hard to deal with and he complains a lot. Sometimes, you have your administrative assistant take the calls for this reason. Do you blame not returning Mr. Khun's call on your assistant's failure to give you the message so that you can wait until tomorrow or until you feel more like talking to Kuhn?

Please answer using the computer answer sheet.

40. 1 2
   Yes No

41. On a scale of one to five, how satisfied are you with this decision?
   1 2 3 4 5
   Very Unsatisfied Very Satisfied

42. On a scale of one to five, how effective do you feel this decision would be if implemented?
   1 2 3 4 5
   Not at all effective Very Effective
In-basket Item #15

Kris,

I really enjoyed lunch yesterday. Let's do it again.

Soon!

Hope to be talking to you in the near future.
Sheila Charles and you went to college together. She is currently out of work and has applied for a salesperson position in Jim Jostien's store. Jim is one of your Omaha Store Managers. You received the above note as a follow-up from the request she made to you yesterday over lunch that you put in a good word for her. You know from your discussions with Jim that there are a number of really qualified applicants for the position and that Sheila is not as qualified. Do you push for hiring her more than you do for the others?

Please answer using the computer answer sheet.

43.  
   Yes  No

44.  On a scale of one to five, how satisfied are you with this decision?
   
   1  2  3  4  5
   Very Unsatisfied  Very Satisfied

45.  On a scale of one to five, how effective do you feel this decision would be if implemented?
   
   1  2  3  4  5
   Not at all effective  Very Effective
Dear Kris,

Just wanted to remind you that this is a great deal for both of us, a real win-win situation!! After all, figures talk. Call me ASAP! Let's do it!

Byron Small
Byron Small, the District Manager serving the northern Kansas area, has contacted you about taking over the Lincoln part of your district. He feels that he can service that area better. The sales rep you have assigned to this region, Beth Baskenny, is bright and is trying very hard. However, she is inexperienced, and sales have dipped. By giving this region to Byron you could consolidate your Omaha forces better in an effort to boost district sales, and Byron has agreed to give you some assistance with new products, which will also help sales. However, the territory is likely to provide strategic value in a few years if you can hold on to it because the population in Lincoln is growing and Beth has a lot of potential. If you give up the territory you would have to demote Beth to store displays exclusively and she would lose a good bit of autonomy and responsibility. Do you give the territory to Byron?

Please answer using the computer answer sheet.

46. 1  2
   Yes  No

47. On a scale of one to five, how satisfied are you with this decision?
    1  2  3  4  5
    Very Unsatisfied  Very Satisfied

48. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1  2  3  4  5
    Not at all effective  Very Effective
In-basket Item #17

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Date: ________________ Time: __________________

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of ___________________________________
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Message________________________________________
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Operator
You must have some expensive repair work conducted on a very important machine: the office copier. Your service contract does not cover this particular problem. Money can be obtained from another source, but the requisition would take three weeks to go through. Going without a copier for three weeks would be a serious inconvenience. You could pay for the copier repairs but it will take a while to get reimbursed. This type of procedure is not well liked in management but you are in a bind. Would you use your own money to pay for the repairs?

Please answer using the computer answer sheet.

49.  1  2
    Yes  No

50.  On a scale of one to five, how satisfied are you with this decision?
      1  2  3  4  5
    Very Unsatisfied  Very Satisfied

51.  On a scale of one to five, how effective do you feel this decision would be if implemented?
      1  2  3  4  5
    Not at all effective  Very Effective
MEMORANDUM

TO: Kris Johnson
FROM: Holly Jacobsen
DATE: 1-15-2004
RE: 4th quarter sales summary

Hello Kris. Hope all is well in Omaha. I heard you received a lot of snow recently? We have been lucky down here in St. Louis thus far.

The reason I am sending this memo is that Kelly (Ploumert - Executive Manager) and I would like to set up a conference call with you to discuss the 4th quarter sales summary report. In addition to discussing the numbers, she would like your input whether or not you believe your district will reach your expected sales during the 1st quarter of 2004.

Call me and let me know when you will be available for this call. Thanks.
In looking over quarterly sales figures, you notice that sales in your region did not reach expected sales levels over the 4th quarter, which includes the holiday sales for 2003. Regardless of the reasons, this reflects poorly on you as Omaha District Manager. You know that store managers across the country often report more products as defective or damaged. If a manager does this, s/he is not accountable for bringing in money for these supposedly defective products, and the money will be deducted from his or her expected sales. This is not illegal and it makes sales volume appear higher because expected sales totals are reduced. The company would not lose money from this. Your policy has been that managers report only actually defective merchandise. Do you still ask your managers to report defective products accurately for the current sales quarter?

Please answer using the computer answer sheet.

52. 1 2
    Yes No

53. On a scale of one to five, how satisfied are you with this decision?
    1 2 3 4 5
    Very Unsatisfied Very Satisfied

54. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1 2 3 4 5
    Not at all effective Very Effective
In-basket Item #19

Dear Kris,

We do not presently carry the new book line you requested. It will probably take several months to negotiate a deal to obtain it -- a lot of red tape is involved. I know that this is an inconvenience for you but my hands are tied on this one. I will try, but to be honest I think it will take several months.

Sincerely,

Jim O'Donnell

Kris,

Enclosed, please find a copy of that book we discussed. I can ship 500 titles to you tomorrow if you give me the word. I can also do the same on any of your current product needs. Let's talk a full program here! I can't be undersold! Call you tomorrow!!

Sincerely,

Kris Bates
In-basket Item #19 Continued

A certain distributor has reliably supplied you with many different books over a long period of time and has always provided you with reasonable prices. However, this distributor does not carry a new innovative line of books that you wish to begin introducing in your stores. A new distributor has offered a special deal to you if you will become their customer for all product lines that you now receive from your present distributor. In time, your present distributor will also carry the same product, but the new distributor is offering you a special deal and has the product now. Do you stay with the current distributor and wait for the products?

Please answer using the computer answer sheet.

55. 1 2
    Yes No

56. On a scale of one to five, how satisfied are you with this decision?
    1 2 3 4 5
    Very Unsatisfied Very Satisfied

57. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1 2 3 4 5
    Not at all effective Very Effective
December 29, 2003

Kris Johnson
District Manager
Readers Booksellers
1717 Dodge St.
Omaha, NE 68184

Dear Kris,

Thank you for your recent telephone call concerning the proposed decrease in business taxes. I always appreciate hearing from you. I am sorry that I had to cancel our lunch; however, when the Governor calls...

As you know, I have been working hard to see that this bill gets passed next session. I recognize the potential savings that passage of this bill would entail for you. Furthermore, I recognize that in the face of increasing competition, companies must make some tough choices. However, I urge you to reconsider your plan to relocate your headquarters to Sioux City, Iowa. The jobs provided by Readers are highly valued in the City of Omaha.

You may be sure that I, and my staff, will continue to do everything possible to ensure passage of H.R. 2014. If you have any questions or would like to discuss the many advantages to remaining in the City of Omaha, I would be pleased to set up a meeting for the two of us with the Director of the Chamber of Commerce, Marybeth Mills.

I look forward to talking to you again soon. Give my best to your family.

Warm regards,

Denis Folgerty
Mayor, City of Omaha
As District Manager, you are currently investigating the pros and cons of moving your district headquarters from Omaha to Sioux City, Iowa. Sioux City offers cheaper land, lower taxes, and a general reduction in overhead expenses. The move would save the company money. The District office currently provides a number of jobs, indirectly, for the minority residents of downtown Omaha. If the company moves, it is unlikely that economic conditions in the area will make it easy for these people to find new jobs. Do you keep district headquarters where they are?

Please answer using the computer answer sheet.

58. 1 2
   Yes No

59. On a scale of one to five, how satisfied are you with this decision?
   1 2 3 4 5
   Very Unsatisfied Very Satisfied

60. On a scale of one to five, how effective do you feel this decision would be if implemented?
   1 2 3 4 5
   Not at all effective Very Effective
In-basket Item #21

To: _______________________________________
Date:_______________ Time: __________________

WHILE YOU WERE OUT

M ________________________________________
of_______________________________________

Phone _____________________________________
Area Code Number Extension

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<td>Telephoned</td>
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<td>Returned Your Call</td>
<td>Will Call Again</td>
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<td>Wants To See You</td>
<td>URGENT</td>
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Message____________________________________
_____________________________________________
_____________________________________________

Operator
In-basket Item #21 Continued

As District Manager, all major account credits from your district must be cleared by you. Debbie, a good sales rep whose judgment you trust, requested a credit clearance for a new company called Elisen Books. This company would like to purchase large quantities of books from you in an effort to start small stores and/or to begin selling books in small towns across western Nebraska. This account has the potential to earn substantial amounts of money for Readers. Refusing the credit clearance may force them to do business elsewhere, probably with BookBarn. However, because Elisen is a young company and Western Nebraska is an unproven market, they pose a credit risk. Do you give clearance?

Please answer using the computer answer sheet.

61.  
1  2
Yes  No

62. On a scale of one to five, how satisfied are you with this decision?
1  2  3  4  5
Very Unsatisfied Very Satisfied

63. On a scale of one to five, how effective do you feel this decision would be if implemented?
1  2  3  4  5
Not at all effective Very Effective
January 5, 2004

Kris Johnson
District Manager
Readers Booksellers
1717 Dodge St.
Omaha, NE 68184

Dear Kris Johnson,

We are pleased to announce that you have been chosen to participate in the annual Southwestern Bookseller Association (SBA) conference, to be held on February 7th, 8th, and 9th in San Francisco. Participants were selected to attend this conference based on outstanding performance (not simply sales, but all aspects of performance) for the last two quarters of 2003. Additionally, nominations and outstanding reviews from senior managers were used in the decision process.

The conference will be held at the Convention Center in the Hilton Hotel. Participants are asked to register as soon as possible by filling out the enclosed forms. We have included hotel reservation information for your convenience.

Sincerely,

Dolye Davis, SBA President
In-basket Item #22 Continued

Jim Jostien is one of your store managers whose wife just had a baby. You agreed to make some important business calls for him the week of February 7th so that he could stay home with his new family forgetting that you had this sales conference to attend. You do not have any presentations to make at the conference, but it would be personally beneficial for you to get the exposure. Usually you would assign the calls to one of your other managers; however, they are either too busy or are also attending the conference. Do you go to the conference?

Please answer using the computer answer sheet.

64. 1 2
Yes No

65. On a scale of one to five, how satisfied are you with this decision?
1 2 3 4 5
Very Unsatisfied Very Satisfied

66. On a scale of one to five, how effective do you feel this decision would be if implemented?
1 2 3 4 5
Not at all effective Very Effective
ANNOUNCEMENT

THE ANNUAL MODERN BOOK FAIR IS BACK BY POPULAR DEMAND AND WILL BE HELD FROM JUNE 14-15. SALES REPS HAVE RAVED ABOUT HOW THIS SEMINAR INCREASED THEIR UNDERSTANDING AND THEIR PROFITS!! THIS IS THE ONLY TIME YOU WILL BE ABLE TO SEE AND LEARN ABOUT THE PRODUCTS THAT WILL BE THE HOT SELLERS OF TOMORROW. PLEASE REPLY A.S.A.P.
Corporate is holding a seminar on new book releases and product lines that will appear within the next two years. It is a seminar that will have useful product information. It will be necessary for your sales reps and purchasing agents to take two days off to go to the seminar. Unfortunately, one of your sales reps has not met her quota for this quarter, and giving her time off will negatively influence her performance. Do you allow this sales rep to attend the seminar?

Please answer using the computer answer sheet.

67. 1 Yes 2 No

68. On a scale of one to five, how satisfied are you with this decision?

   1  2  3  4  5
   Very Unsatisfied  Very Satisfied

69. On a scale of one to five, how effective do you feel this decision would be if implemented?

   1  2  3  4  5
   Not at all effective  Very Effective
Yesterday you overheard this conversation your boss, Holly Jacobsen, was having on the telephone while you were waiting for a meeting:

".......my daughter is NOT on drugs! She has always been a straight A student, and we have never had any problems with her...don't care who told you! I suggest you stop spreading rumors about this sort of thing. You're just an English teacher who hasn't even known her for three months. Please do not call me again regarding this matter."

Your boss was visibly upset after the phone call and had to postpone the meeting you two were supposed to have until today. You and other employees have noticed that this type of behavior has been going on for a few months, and your boss appears to be under tremendous strain.
In-basket Item #24 Continued

This afternoon you are meeting with your boss, Holly Jacobsen. You have thought about the telephone conversation as well as other incidents that have happened, and you think that the problem is serious enough to warrant professional attention. You know that this would be the best thing for your boss's family and for Readers. However, Holly is a very private person who does not usually discuss personal matters with anyone in the office. Once, another regional manager was relocated after suggesting that your boss had a drinking problem. Do you bring up the telephone conversation and suggest a family help program in the meeting with your boss?

Please answer using the computer answer sheet.

70. 1 2
   Yes No

71. On a scale of one to five, how satisfied are you with this decision?
    1 2 3 4 5
    Very Unsatisfied Very Satisfied

72. On a scale of one to five, how effective do you feel this decision would be if implemented?
    1 2 3 4 5
    Not at all effective Very Effective
Appendix F

Manipulation Check
1. Did you feel that the decisions you had to make as Kris Johnson were realistic (that is, something that a manager in this position would have to make)?

   1  2  3  4  5
   not at all realistic  somewhat realistic  very realistic

2. How believable were the scenarios depicted in the in-basket?

   1  2  3  4  5
   not at all believable  somewhat believable  very believable

3. Do you feel you have the experience needed to solve the problems presented in the in-basket?

   1  2  3  4  5
   not at all  somewhat  very much

4. How similar are the problems depicted in this exercise to problems that you encounter in your workplace?

   1  2  3  4  5
   not at all  somewhat similar  very similar

5. How similar are the problems depicted in this exercise to problems that you think others encounter in the workplace?

   1  2  3  4  5
   not at all  somewhat similar  very similar

6. How much thought did you put into your answers?

   1  2  3  4  5
   very little  some  lots

7. I felt this packet was a waste of my time.

   1  2  3  4  5
   strongly agree  somewhat agree  strongly disagree

8. How hard did you try to come up with good solutions to the problem?

   1  2  3  4  5
   not at all  somewhat  tried hard

9. How often did you feel that you did not have all of the information you needed to make a decision?

   1  2  3  4  5
   not at all  somewhat  very often
Appendix G

Problem Solving Rating Sheet
Problem-Solving Rating Sheet

1. To what degree did the solution harm the organizational members, clients, customers, others, and/or negatively affect long-term organizational goals or performance. A low destructive answer would be one that shows that not being destructive was important or that doing the right thing was important, for example if they mentioned long-term goals, loyal customers, or societal values as their reason for not selling the books, they would receive a low destructive score. However, if they mentioned sending the media to another store it would increase their destructiveness score. A high destructive rating would include hurting customers, the organization, or others, for example, selling the books would be fairly destructive.

1  2  3  4  5
low destructive high destructive

2. To what extent did the solution show the manager would act unethically (actually do something that was unethical), act passively (not do anything unethical, but not take an active stand to act ethically), act ethical (do something that was ethical).

1  2  3  4  5
actively unethical passive actively ethical
Appendix H

IPIP Conscientiousness Scale
IPIP Conscientiousness Scale

Below there are phases describing people’s behaviors. Please use the rating scale below to describe how accurately each statement describes you. Describe yourself as you generally are now, not as you wish to be in the future. Describe yourself as you honestly see yourself, in relation to other people you know of the same sex as you are, and roughly your same age. So that you can describe yourself in an honest manner, your responses will be kept in absolute confidence. Please read each statement carefully, and then fill in the bubble that corresponds to the number on the scale.

**Response Options**

1= Very Inaccurate  
2=Moderately Inaccurate  
3=Neither Inaccurate nor Accurate  
4=Moderately Accurate  
5=Very Accurate

1. Complete tasks successfully  
2. Like order  
3. Try to follow the rules  
4. Go straight for the goal  
5. Get chores done right away  
6. Avoid mistakes  
7. Excel in what I do  
8. Like to tidy up  
9. Keep my promises  
10. Go straight for the goal  
11. Am always prepared  
12. Choose my words with care  
13. Handle tasks smoothly  
14. Want everything to be “just right”  
15. Pay my bills on time.  
16. Turn plans into action  
17. Start tasks right away  
18. Stick to my chosen path  
19. Am sure of my ground  
20. Love order and regularity  
21. Tell the truth  
22. Plunge into tasks with all my heart  
23. Get to work at once  
24. Jump into things without thinking  
25. Come up with good solutions  
26. Do things according to a plan  
27. Listen to my conscience  
28. Do more than what’s expected of me  
29. Carry out my plans  
30. Make rash decisions  
31. Know how to get things done  
32. Often forget to put things back in the proper place  
33. Break rules  
34. Set high standards for myself and others  
35. Find it difficult to get down to work  
36. Like to act on a whim  
37. Misjudge situations  
38. Leave a mess in my room  
39. Break my promises  
40. Demand quality  
41. Waste my time  
42. Rush into things  
43. Have little to contribute  
44. Leave my belongings around  
45. Get others to do my duties  
46. Am not highly motivated to succeed  
47. Need a push to get started  
48. Do crazy things  
49. Have little to contribute  
50. Am not bothered by messy people  
51. Do the opposite of what is asked  
52. Do just enough work to get by  
53. Have difficulty starting tasks  
54. Misrepresent the facts  
55. Put little time and effort into my work  
56. Postpone decisions  
57. Often make last-minute plans
Appendix I

New General Self-Efficacy Scale
New General Self-Efficacy Scale

Please use the rating scale below to describe how accurately each statement describes you.

1 = Strongly agree
2 = Agree
3 = Neutral
4 = Disagree
5 = Strongly disagree

1. I will be able to achieve most of the goals that I have set for myself.
2. When facing difficult tasks, I am certain that I will accomplish them.
3. In general, I think that I can obtain outcomes that are important to me.
4. I believe I can succeed at most any endeavor to which I set my mind.
5. I will be able to successfully overcome many challenges.
6. I am confident that I can perform effectively on many difficult tasks.
7. Compared to other people, I can do most tasks very well.
8. Even when things are tough I can perform quite well.
Appendix J

Moral Self-Efficacy Scale
Moral Self-Efficacy Scale

Please use the rating scale below to describe how accurately each statement describes you.

1 = Strongly Disagree
2
3
4 = Neutral
5
6
7 = Strongly Agree

1. When facing difficult ethical decisions, I am certain that I can make them.
2. I will be able to successfully overcome many of the ethical challenges at work.
3. I am confident that I can effectively make decisions on many different ethical problems.
4. Even when ethical problems are tough, I can perform quite well.
5. I am confident that I can recognize ethical problems when they arise at work.
6. I am able to successfully evaluate all of the alternative solutions to ethical issues at work.
Appendix K

Value Survey
A measure of Values. Below is a list of words or phrases used by many people to describe their lives and to define themselves. First, please read through the entire list and identify the word(s) or phrase(s) that is/are most important in your life and the one(s) that is/are least important. Rate those words/phrases using the scale provided. After you rate those words/phrases, rate all the remaining words/phrases. You will use some scale values more than once; however, because everything cannot be equally important (e.g., you cannot value many things at the supreme importance level), you should use the entire rating scale (-1-7). Be sure to rate all 56 words/phrases. Please mark your responses in the spaces after each number. (Do not mark your answers on the computer sheet).

Each importance rating you assign should reflect the degree each item has acted AS A GUIDING PRINCIPLE IN YOUR LIFE.

Scale:  
7 Supreme importance  
6 Very important  
5  
4  
3 Important  
2  
1  
0 Not important  
-1 Opposed to my beliefs

_____ 1. Equality (equal opportunity for all) 
_____ 2. Inner harmony (at peace with myself) 
_____ 3. Social power (control over others) 
_____ 4. Pleasure (gratification of desires) 
_____ 5. Freedom (freedom of action and thought) 
_____ 6. A spiritual life (emphasis on spiritual not material) 
_____ 7. Sense of belonging (others care about me) 
_____ 8. Social order (stability of society) 
_____ 9. An exciting life (stimulating experiences) 
_____ 10. Meaning in life (a purpose in life) 
_____ 11. Politeness (courtesy, good manners) 
_____ 12. Wealth (material possessions, money) 
_____ 13. National security (protection from enemies)
Scale:  
7 Supreme importance  
6 Very important  
5  
4  
3 Important  
2  
1  
0 Not important  
-1 Opposed to my beliefs

14. Self-respect (belief in one's own worth)  
15. Creativity (uniqueness, imagination)  
16. A world at peace (free of war and conflict)  
17. Detachment (from worldly concerns)  
18. Family security (safety for loved ones)  
19. Unity with nature (fitting into nature)  
20. Social recognition (respect, approval by others)  
21. Wisdom (a mature understanding of life)  
22. Authority (the right to lead or command)  
23. True friendship (close, supportive friends)  
24. A world of beauty (beauty of nature and the arts)  
25. Independent (self-reliant, self-sufficient)  
26. Social justice (correcting injustice, care for the weak)  
27. Loyal (faithful to my friends, group)  
28. Moderate (avoiding extremes of feeling and action)  
29. Ambitious (hardworking, aspiring)  
30. Broad-minded (tolerant of different ideas and beliefs)  
31. Humble (modest, self-effacing)  
32. Protecting the environment (preserving nature)  
33. Daring (seeking adventure, risk)  
34. Influential (having an impact on people and events)  
35. Capable (competent, effective, efficient)
Scale: 7 Supreme importance
6 Very important
5
4
3 Important
2
1
0 Not important
-1 Opposed to my beliefs

36. Honoring of parents and elders (showing respect)
37. Honest (genuine, sincere)
38. Choosing own goals (selecting own purpose)
39. Obedient (dutiful, meeting obligations)
40. Healthy (not being sick physically or mentally)
41. Intelligent (logical, thinking)
42. Preserving my public image (protecting my "face")
43. Helpful (working for the welfare of others)
44. Enjoying life (enjoying food, sex, leisure, etc.)
45. Responsible (dependable, reliable)
46. Devout (holding to religious faith and belief)
47. Forgiving (willing to pardon others)
48. Curious (interested in everything, exploring)
49. Successful (achieving goals)
50. Reciprocation of favors (avoidance indebtedness)
51. Clean (neat, tidy)
52. Mature love (deep emotional and spiritual intimacy)
53. Respect for tradition (preservation of time-honored customs)
54. Self-discipline (self-restraint, resistance to temptation)
55. A varied life (filled with challenge, novelty, and change)
56. Accepting my portion in life (submitting to life's circumstance)
Appendix L

Demographics Questionnaire
________Male  ______Female

Age_______

Number of semesters of graduate school _______

What graduate program are you enrolled in? ________________________________

Do you work part-time full-time not at all

How long have you been at your current job _____yrs ______months

How many years of managerial experience have you had_______

Ethnicity:
Caucasian Asian
Hispanic Black
Native American Pacific Islander

Did you have any trouble understanding the verbal or written instructions, or completing any of the exercises in which you played to role of Kris Johnson:  Yes  No

If yes, please indicate what you found to be difficult