

## 3.12: Personal Values and Ethics

### What is the role of ethical behavior in managerial actions?

A factor that has surprised many business leaders is the alarming rise in accusations of unethical or disreputable behavior in today's companies. We hear with increasing regularity of stock market manipulations, disregard of environmental hazards, bribes, and kickbacks. To understand these behaviors, we must examine the role of values and personal ethics in the workplace. We begin with the concept of values.

A *value* may be defined as “an enduring belief that a specific mode 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.”<sup>23</sup> In other words, a value represents a judgment by an individual that certain things are “good” or “bad,” “important” or “unimportant,” and so forth. As such, values serve a useful function in providing guidelines or standards for choosing one's own behavior and for evaluating the behavior of others.

### Characteristics of Values

The values people have tend to be relatively stable over time. The reason for this lies in the manner in which values are acquired in the first place. That is, when we first learn a value (usually at a young age), we are taught that such-and-such behavior is *always* good or *always* bad. For instance, we may be taught that lying or stealing is always unacceptable. Few people are taught that such behavior is acceptable in some circumstances but not in others. Hence, this definitive quality of learned values tends to secure them firmly in our belief systems. This is not to say that values do not change over time. As we grow, we are increasingly confronted with new and often conflicting situations. Often, it is necessary for us to weigh the relative merits of each and choose a course of action. Consider, for example, the worker who has a strong belief in hard work but who is pressured by her colleagues not to outperform the group. What would you do in this situation?

Rokeach has identified two fundamental types of values: instrumental and terminal.<sup>24</sup> **Instrumental values** represent those values concerning the way we approach end-states. That is, do we believe in ambition, cleanliness, honesty, or obedience? What factors guide your everyday behavior? **Terminal values**, on the other hand, are those end-state goals that we prize. Included here are such things as a comfortable life, a sense of accomplishment, equality among all people, and so forth. Both sets of values have significant influence on everyday behavior at work.

You can assess your own instrumental and terminal values by completing the self-assessment in the end-of- chapter assignments. Simply rank-order the two lists of values, and then refer to the reference for scoring procedures.

### Role of Values and Ethics in Organizations

**Personal values** represent an important force in organizational behavior for several reasons. In fact, at least three purposes are served by the existence of personal values in organizations: (1) values serve as standards of behavior for determining a correct course of action; (2) values serve as guidelines for decision-making and conflict resolution; and (3) values serve as an influence on employee motivation. Let us consider each of these functions.

**Standards of Behavior.** First, values help us determine appropriate standards of behavior. They place limits on our behavior both inside and outside the organization. In such situations, we are referring to what is called *ethical behavior*, or **ethics**. Employees at all levels of the organization have to make decisions concerning what to them is right or wrong, proper or improper. For example, would you conceal information about a hazardous product made by your company, or would you feel obliged to tell someone? How would you respond to petty theft on the part of a supervisor or coworker in the office? To some extent, ethical behavior is influenced by societal values. Societal norms tell us it is wrong to engage in certain behaviors. In addition, however, individuals must often determine for themselves what is proper and what is not. This is particularly true when people find themselves in “gray zones”—situations where ethical standards are ambiguous or unclear. In many situations, a particular act may not be illegal. Moreover, one's colleagues and friends may disagree about what is proper. In such circumstances, people have to determine their own standards of behavior.

#### Expanding Around the Globe

##### Two Cultures' Perspectives of Straight Talk

Yukiko Tanabe, a foreign exchange student from Tokyo, Japan, was both eager and anxious about making new friends during her one-year study abroad in the United States. After a month-long intensive course in English over the summer, she began her

studies at the University of California. Yukiko was in the same psychology class as Jane McWilliams. Despite Yukiko's somewhat shy personality, it did not take long before she and Jane were talking before and after class and studying together.

Part of the way through the term, the professor asked for volunteers to be part of an experiment on personalities and problem-solving. The professor also offered extra credit for participation in the experiment and asked interested students to stay after class to discuss the project in more detail.

When class was over, Jane asked Yukiko if she wanted to stay after and learn more about the project and the extra credit. Yukiko hesitated and then said that she was not sure. Jane replied that it would only take a few minutes to listen to the explanation, and so the two young women went up to the front of the class, along with about 20 other students, to hear the details.

The project would simply involve completing a personality questionnaire and then attempting to solve three short case problems. In total, it would take about one hour of time and would be worth 5 percent extra credit. Jane thought it was a great idea and asked Yukiko if she wanted to participate. Yukiko replied that she was not sure. Jane responded that they could go together, that it would be fun, and that 5 percent extra credit was a nice bonus. To this Yukiko made no reply, so Jane signed both of them up for the project and suggested that they meet at the quad about 10 minutes before the scheduled beginning of the experiment.

On the day of the experiment, however, Yukiko did not show up. Jane found out later from Yukiko that she did not want to participate in the experiment. "Then why didn't you just say so?" asked Jane. "Because I did not want to embarrass you in front of all your other friends by saying no," explained Yukiko.

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Source: Personal communication by the author. Names have been disguised.

**Guidelines for Decision-Making and Conflict Resolution.** In addition, values serve as guidelines for making decisions and for attempting to resolve conflicts. Managers who value personal integrity are less likely to make decisions they know to be injurious to someone else. Relatedly, values can influence how someone approaches a conflict. For example, if your boss asks your opinion about a report she wrote that you don't like, do you express your opinion candidly or be polite and flatter her?

An interesting development in the area of values and decision-making involves integrity or honesty tests. These tests are designed to measure an individual's level of integrity or honesty based on the notion that honest or dishonest behavior and decisions flow from a person's underlying values. Today over 5,000 firms use these tests, some of which use direct questions and some of which use camouflaged questions. Although the reliability of the most common tests seem good, their validity (i.e., the extent to which they can accurately predict dishonest behavior) is more open to question.<sup>25</sup> Nevertheless, because they do not cost much and are less intrusive than drug or polygraph testing, integrity are increasingly used to screen potential employees.

**Influence on Motivation.** Values affect employee motivation by determining what rewards or outcomes are sought. Employees are often offered overtime work and the opportunity to make more money at the expense of free time and time with their families. Which would you choose? Would you work harder to get a promotion to a perhaps more stressful job or "lay back" and accept a slower and possibly less rewarding career path? Value questions such as these confront employees and managers every day.

Prominent among work-related values is the concept of the **work ethic**. Simply put, the work ethic refers to the strength of one's commitment and dedication to hard work, both as an end in itself and as a means to future rewards. Much has been written lately concerning the relative state of the work ethic in North America. It has been repeatedly pointed out that one reason for our trouble in international competition lies in our rather mediocre work ethic. This is not to say that many Americans do not work hard; rather, it is to say that others (most notably those in East Asia) simply work harder.

There are many ways to assess these differences, but perhaps the simplest way is to look at actual hours worked on average in different countries both in Asia and Western Europe. Looking at Table 3.12.1, you may be surprised to discover that although the average American works 1,789 hours (and takes an average of 19.5 vacation days) per year, the average South Korean works 2,070 hours per year (and takes only 4.5 days of vacation)!<sup>26</sup> The typical Japanese worker works 1,742 hours per year and takes 9.6 days of vacation. Meanwhile, Western Europeans work fewer hours and take more vacation days. Thus, although Americans may work longer hours than many Europeans, they fall far behind many in East Asia.

Average Hours Worked and Vacation Taken per Worker		
Country	Average Hours Worked per Year	Vacation Days Actually Taken
South Korea	2,070	4.5
United States	1,789	19.5
OECD Average	1,763	
Japan	1,742	9.6
United Kingdom	1,676	22.5
Germany	1,288	30.2
France	1,472	25.0

Source: Adapted from OECD.Stat, "Average annual hours actually worked per worker," accessed July 20, 2018, <https://stats.oecd.org/Index.aspx?DataSetCode=ANHRS>; and Richard M. Steers, Yoo Keun Shin, and Gerardo R. Ungson, *The Chaebol: Korea's New Industrial Might* (Philadelphia: Ballinger, 1989).

**Table 3.12.1**

### Example: A Country Tries to Reduce Its Workweek

What does a country do when its people are over motivated? Consider the case of Japan. On the basis of Japan's newfound affluence and success in the international marketplace, many companies—and the government—are beginning to be concerned that perhaps Japanese employees work too hard and should slow down. They may be too motivated for their own good. As a result, the Japanese Department of Labor has initiated a drive to shorten the workweek and encourage more Japanese employees to take longer holidays. The effort is focusing on middle-aged and older employees, because their physical stamina may be less than that of their more junior colleagues. Many companies are following this lead and are beginning to reduce the workweek. This is no easy task in a land where such behavior may be seen by employees as showing disloyalty toward the company. It requires a fundamental change in employee attitudes.

At the same time, among younger employees, cracks are beginning to appear in the fabled Japanese work ethic. Younger workers are beginning to express increased frustration with dull jobs and routine assignments, and job satisfaction appears to be at an all-time low. Young Japanese are beginning to take longer lunch periods and look forward to Friday and the coming weekend. Whether this is attributable to increasing affluence in changing society or simply the emergence of a new generation, things are changing—however slowly—in the East.<sup>27</sup>

#### Exercise 3.12.1

1. What role do managers undertake to ensure an environment where ethics and values are followed?

23. M. Rokeach, *The Nature of Human Values* (New York: Free Press, 1973), p. 5.

24. Ibid.

25. Paul R. Sackett, Laura R. Burris, and Christine Callahan. 1989. Integrity Testing for Personnel Selection. *Personnel Psychology*, 42, 491–529.

26. R. M. Steers, Y. K. Shin, and G. R. Ungson, *The Chaebol: Korea's New Industrial Might* (New York: Harper & Row, 1989), p. 96.

27. L. Smith, "Cracks in the Japanese Work Ethic," *Fortune*, May 14, 1984, pp. 162–168; K. Van Wolferen, *The Enigma of Japanese Power* (New York: Knopf, 1989).

Table 2.3 (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)

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