



Leadership Traits and Ethics

Learning Outcomes

After studying this chapter, you should be able to:

- 1 Explain the universality of traits of effective leaders. p. 35
- 2 Describe the Big Five personality dimensions. p. 35
- 3 Discuss why the trait of dominance is so important for managers to have. p. 36
- 4 State how the Achievement Motivation Theory and the Leader Motive Profile are related and different. p. 41
- 5 Identify similarities and differences among Theory X and Theory Y, the Pygmalion effect, and self-concept. p. 46
- 6 Describe how attitudes are used to develop four leadership styles. p. 49
- 7 Compare the three levels of moral development. p. 52
- 8 Explain the stakeholder approach to ethics. p. 56

CHAPTER OUTLINE

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Personality and Traits

Personality Profiles

Leadership Trait Universality

The Big Five Including Traits of Effective Leaders

Surgency

Agreeableness

Adjustment

Conscientiousness

Openness

The Personality Profile of Effective Leaders

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Theory X and Theory Y

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Self-Concept

How Attitudes Develop Leadership Styles

Ethical Leadership

Does Ethical Behavior Pay?

Factors Influencing Ethical Behavior

How People Justify Unethical Behavior

Guides to Ethical Behavior

Being an Ethical Leader

OPENING CASE Application



Ellen Kullman DuPont

DuPont was founded over 200 years ago and continues to be a world leader in market-driven innovation and science. Its innovation includes thousands of new products and patent applications every year, serving markets as diverse as agriculture, nutrition, electronics and communications, safety and protection, home and construction, transportation and apparel.¹ Look closely at the things around your home and workplace, and chances are you'll find dozens of items made with DuPont materials.

Ellen Kullman received a BS in mechanical engineering from Tufts University, and later a master's degree in management from Northwestern University, and she began her career at GE. She started at DuPont in 1988 as a marketing manager. Kullman climbed the corporate ladder to the top in 2009, becoming chair of the board and CEO of DuPont.² Under Kullman's leadership DuPont's strategy shifted from selling commodity units into high-margin areas and the stock has more than doubled during her tenure.

DuPont operates in more than 90 countries, with revenues in excess of \$39.5 billion. DuPont is ranked #72

on the Fortune 500 company list and 1st in the chemicals ranking,³ ranked #267 on the Global 500,⁴ and ranked #41 on the *Fortune* World's Most Admired Companies.⁵

OPENING CASE QUESTIONS:

1. What Big Five personality traits does Ellen Kullman possess?
2. Does Ellen Kullman have the personality profile of an effective leader?
3. How did "attitude" help improve the performance of DuPont?
4. How did Ellen Kullman's self-concept affect her leadership?
5. What role does ethics play at DuPont?

Can you answer any of these questions? You'll find answers to these questions and learn more about DuPont and its leadership throughout the chapter.

To learn more about Ellen Kullman and DuPont, visit its Web site at <http://www.dupont.com>.

Ellen Kullman is an effective leader. The focus of this chapter is on leadership traits, which includes ethics. We begin by learning about personality traits of leaders and the personality profile of effective leaders. Next we learn how attitudes affect leadership. We end with a discussion of ethics in leadership.

Personality Traits and Leadership Trait Universality

Recall that trait theory of leadership was the foundation for the field of leadership studies. Some authors believe that the most important thing about a leader is traits, rather than skills.⁶ In this section, we discuss traits and personality, personality profiles, and leadership trait universality. But before you learn about personality traits, complete Self-Assessment 2-1 to determine your personality profile. Throughout this chapter, you will gain a better understanding of personality traits, which help explain why people do the things they do (behavior).

SELF-ASSESSMENT 2-1

Big Five Personality Profile

There are no right or wrong answers, so be honest and you will really increase your self-awareness. We suggest doing this exercise in pencil or making a copy before you write on it. We will explain why later.

Using the scale below, rate each of the 25 statements according to how accurately it describes you. Place a number from 1 to 7 on the line before each statement.

(continued)

Like me		Some what like me			Not like me			
7	6	5	4	3	2	1		
_____							_____	14. I am loyal to my boss, coworkers, and the organizations.
_____							_____	15. I'm good at problem solving and making decisions.
_____							_____	16. I want to climb the corporate ladder to as high a level of management as I can.
_____							_____	17. I want other people to like me and to view me as very friendly.
_____							_____	18. I give people lots of praise and encouragement; I don't put people down and criticize.
_____							_____	19. I follow the policies and rules of an organization.
_____							_____	20. I volunteer to be the first to learn and do new tasks at work.
_____							_____	21. I try to influence other people to get my way.
_____							_____	22. I enjoy working with others more than working alone.
_____							_____	23. I am relaxed and secure, rather than nervous and insecure.
_____							_____	24. I am considered to be trustworthy because I do a good job and support others.
_____							_____	25. I believe that my successful performance depends on me, not others or good luck

Surgency			Agreeableness			Adjustment			Conscientiousness			Openness to Experience		
		35			35			35			35			35
		30			30			30			30			30
_____	1.	25	_____	2.	25	_____	3.	25	_____	4.	25	_____	5.	25
_____	6.	20	_____	7.	20	_____	8.	20	_____	9.	20	_____	10.	20
_____	11.	15	_____	12.	15	_____	13.	15	_____	14.	15	_____	15.	15
_____	16.	10	_____	17.	10	_____	18.	10	_____	19.	10	_____	20.	10
_____	21.	5	_____	22.	5	_____	23.	5	_____	24.	5	_____	25.	5
_____	Total	Scale	_____	Total	Scale	_____	Total	Scale	_____	Total	Scale	_____	Total	Scale

To determine your Big Five personality profile: (1) In the blanks, place the numbers from 1 to 7 that represents your score for each statement. (2) Add up each column; your total should be a number from 5 to 35. (3) On the number scale, circle the number that is closest to your total score. Each column in the chart represents a specific personality dimension.

The higher the total number, the stronger is the personality dimension that describes your personality. What is your strongest dimension? Your weakest dimension? Continue reading the chapter for specifics about your personality in each of the five dimensions.

You may visit <http://ipip.ori.org> for a more detailed 50- or 100-item Big Five Personality Assessment.

Personality and Traits

Why are some people outgoing and others shy, loud and quiet, warm and cold, aggressive and passive? This list of behaviors is made up of individual traits.

Personality and Traits Are Different but Related

Traits are distinguishing personal characteristics. The image we project is based largely on our character traits.⁷ **Personality** is a combination of traits that classifies an individual's behavior. Researchers study personal characteristics⁸ and personality⁹ to understand and explain why people behave the way they do.¹⁰

Personality is developed based on genetics and environmental factors. The genes you received before you were born influence your personality traits today. Your family, friends, school, and work also influence your personality. So our personality is partly innate, partly learned, and we can change, but it takes time and effort.¹¹

Why Understanding Personality Is Important

Understanding people's personalities is important because personality affects behavior as well as perceptions and attitudes.¹² Understanding personalities helps us explain and predict others' behavior and job performance.¹³ For a simple example, if you know Kate is very shy, you can better understand why she is quiet when meeting new people. You can also predict that Kate will be quiet when going places and meeting new people. You can also better understand why Kate would not seek a job as a salesperson, and if she did, you could predict that she might not be highly successful.

WORK

Application 2-1

Based on your personality profile, identify which dimensions are stronger, moderate, and weaker:

Personality Profiles

Personality profiles identify individual stronger and weaker traits. Completing Self-Assessment 2-1 gives us our personality profile. Student profiles tend to have a range of scores for the five dimensions. Review your personality profile. Do you have higher scores (stronger traits) on some dimensions and lower scores (weaker traits) on others? There are many personality tests, such as the Myers-Briggs Type Indicator and the Minnesota Multiphasic Personality Inventory.

When we take personality tests, our self-awareness goes up as we figure out our stronger and weaker traits. But we have to make a realistic assessment and acceptance of our strengths and weaknesses and work to improve our behavior. We realize that we are different from other people, and, as stated above, we can change our behavior to improve our relationships and develop leadership skills.¹⁴

Job Performance

Many organizations (including the National Football League) give personality tests to ensure a proper match between the worker and the job. Personality profiles are also used to categorize people as a means of predicting job success, and high conscientiousness is a good predictor of job performance, whereas people who are unstable tend to have poor job performance. People who are high in openness to experience tend to lead innovation to improve organizational performance.¹⁵

The Big Five Correlates with Leadership

Researchers conducted a major meta-analysis combining 73 prior studies to correlate the Big Five personality dimensions with leadership. The highest correlation with leadership was surgency (.31), followed by conscientiousness (.28) and openness to experience (.24). Agreeableness was weakly correlated (.08), and adjustment was negatively correlated with leadership (−.24).¹⁶ In other words, people high in surgency are perceived as leaderlike—they work hard, and they bring about change. They are not too concerned about being well liked and trying to please everyone, and they are stable or not overly emotional.

Derailed Leadership Traits

Let's identify traits that led to leadership failure. A study was conducted that compared 21 derailed executives with 20 executives who had successfully climbed the corporate ladder to the top. The derailed executives had prior success and were expected to go far, but they were passed over for promotion again, were fired, or were forced to retire early. See Exhibit 2.1 for a list of the six major reasons for derailment.¹⁷ Overall, the problem of derailed managers is poor human relations skills.

EXHIBIT

2.1

WORK

Application 2-2

Select a present or past manager; and state whether he or she has any of the six traits of derailment. Give specific examples of weaknesses.

Why Executives Are Derailed

- They used a bullying style viewed as intimidating, insensitive, and abrasive.
- They were viewed as being cold, aloof, and arrogant.
- They betrayed personal trust.
- They were self-centered and viewed as overly ambitious and thinking of the next job.
- They had specific performance problems with the business.
- They overmanaged and were unable to delegate or build a team.

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We Can Improve

As stated, we can change our behavior to be more effective. The key to success is to assess our personality strengths and weaknesses and to plan how to change our behavior to improve our relationships and leadership skills. Once we determine the behavior we want to improve, it takes deliberate practice to succeed. You are given the opportunity to apply what you learn throughout this book in your personal and professional lives.

Learning
outcome

1

Explain the universality of traits of effective leaders.

Leadership Trait Universality

In applying trait theory, we need to remember that there are traits that many successful leaders have,¹⁸ and we will discuss them in the next major section with the Big Five, but there is no agreed-upon list of traits that leaders need to be successful. So you don't need to have all of them to be a successful leader.

There are always exceptions to all the traits. For example, in Fortune 500 companies, 30 percent of the CEOs are 6 feet 2 inches or taller, compared to only 4 percent of the general U.S. population. However, there are lots of CEOs who are less than 6 feet.¹⁹ Successful leaders are commonly extroverts, but 40 percent of CEOs describe themselves as introverts, including Microsoft's Bill Gates and investors Warren Buffet and Charles Schwab.²⁰ Also, certain personality traits have been shown to be important in some team settings, but not in others.

Learning
outcome

2

Describe the Big Five personality dimensions.

The Big Five Including Traits of Effective Leaders

There are many personality classification methods.²¹ However, the Big Five Model of Personality traits is the most widely accepted way to classify personalities because of its strong research support and its reliability across age, sex, race, and language groups.²²

The purpose of the Big Five is to reliably categorize, into one of five dimensions, most if not all of the traits you would use to describe someone. Thus, each dimension includes multiple traits. *The **Big Five Model of Personality** categorizes traits into the dimensions of surgency, agreeableness, adjustment, conscientiousness, and openness to experience.* The dimensions are listed in Exhibit 2.2 and described in this section.

Note that some researchers have slightly different names for the five dimensions, and not all will agree under which dimension each leadership trait should be classified; there is some overlap. We include traits of effective leaders under each dimension based on their strong research support, and our definitions of each of the Big Five include the effective leadership traits in that category. However, again we should realize that there is no one list of traits accepted by all researchers, and that not all effective leaders have all these traits and, like all of us, are higher and lower in some than others.

Surgency

*The **surgency personality dimension** includes dominance, extraversion, and high energy with determination.* Review Self-Assessment 2-1 statements 1, 6, 11, 16, and 21 for examples of surgency traits. Let's discuss the three important dimensions of surgency here.

Learning
Outcome

3

Discuss why the trait of dominance is so important for managers to have.

Dominance

Successful leaders assert themselves and want to be managers and to take charge.²³ If you do not want to be a leader, chances are you will not be an effective manager. Thus, the dominance trait affects all the other traits related to effective leaders. Do you want to be a leader?

EXHIBIT 2.2

The Big Five Including Traits of Effective Leaders

The Big Five Model of Personality	Leadership Traits within the Big Five
Surgency	a. Dominance b. Extroversion c. Energy/Determination d. Sociability/Sensitivity e. Emotional intelligence
Agreeableness	f. Emotional Stability and Narcissism g. Self-confidence
Adjustment	h. Dependability
Conscientiousness	i. Integrity j. Flexibility
Openness	k. Intelligence l. Locus of control

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WORK**Application 2-3**

Select a present or past manager and assess his or her surgency traits of effective leaders. Give an example of the manager's strong or weak dominance, extroversion, and energy/determination in a typical specific situation.

Extraversion

It is on a continuum between extravert and introvert. Extraverts are outgoing, like to meet new people, and are assertive and willing to confront others, whereas introverts are shy. Extraverts are frequently selected for leadership positions.²⁴ How outgoing are you?

High energy with determination

Leaders tend to have high energy with a positive drive to work hard to achieve goals, and they create energy in others.²⁵ Their positive attitude and optimism influence their high tolerance for frustration as they strive to overcome obstacles through being persistent; they don't give up easily. Do you have a high energy level with determination?

Agreeableness

The **agreeableness personality dimension** includes traits of sociability and emotional intelligence. Review Self-Assessment 2-1 statements 2, 7, 12, 17, and 22 for examples of agreeableness traits. Let's discuss the two important dimensions of agreeableness next.

Sociability/Sensitivity

Sociable people have an inclination to seek out enjoyable social relationships. Strong sociability personality types are friendly, courteous, easy to get along with, and diplomatic. How important is having good social relationships to you?

Sensitivity is part of being sociable. It refers to understanding group members as individuals. Recall that being insensitive is one of the reasons why executives are derailed. If you are concerned only about yourself and don't understand others, you probably will not be very successful. Are you sensitive to others?

Emotional Intelligence

An offshoot of IQ is EQ (emotional quotient—EQ or emotional intelligence—EI). EI is the ability to work well with people.²⁶ EQ is being used to identify future leaders.²⁷ There are four components of EQ:²⁸

- *Self-awareness* relates to being conscious of your emotions and how they affect your personal and professional life. Self-awareness is the cornerstone of all insight. Use your self-awareness (the exercises in this book help) to accurately assess your strengths and limitations; this leads to higher self-confidence.
- *Social awareness* relates to the ability to understand others. Empathy is an ability to put yourself in other people's situations, sense their emotions, and understand things from their perspective.
- *Self-management* relates to the ability to control disruptive emotions, ours and others. Successful leaders are self-motivated and don't let negative emotions (worry, anxiety, fear, anger) interfere with getting things done.
- *Relationship management* relates to the ability to work well with others, which is dependent on the other three EI components. Most of this book focuses on developing relationship management skills. Do you have high EI skills in all four areas?

Adjustment

The **adjustment personality dimension** includes traits of emotional stability and self-confidence. Review Self-Assessment 2-1 statements 3, 8, 13, 18, and 23 for examples of adjustment traits. Let's discuss the two important dimensions of adjustment here.

WORK**Application 2-4**

Using the same manager from Work Application 3, assess his or her agreeableness traits of effective leaders. Give an example of the manager's strong or weak sociability/sensitivity and emotional intelligence in a typical specific situation.

Emotional stability/self-control and narcissism

We all have emotions in leader–follower interactions. The question is how do we handle them?²⁹ Adjustment is on a continuum between being emotionally stable and unstable. *Stable* refers to self-control, being calm—good under pressure, relaxed, secure, and positive—praising others. *Unstable* is out of control—poor under pressure, nervous, insecure, negative, and hostile—criticizing others without helping them improve. How emotionally stable are you?

Narcissism is related to being unstable, and it is on the increase.³⁰ Narcissists are pre-occupied with themselves, ignoring the needs of others, have an exaggerated sense of their own self-importance, and tend to make bad decisions.³¹ Are you just looking out for yourself as #1 as a narcissist?

Self-confidence

It is on a continuum from strong to weak, indicating whether we are self-assured in our judgments, decision making, ideas, and capabilities. How can we succeed at anything if we don't believe we can? Our self-confidence builds with our success at setting and achieving our goals. Effective self-confidence is based on an accurate awareness of our strengths and weaknesses, with an orientation to self-improvement. Do you have effective self-confidence?

Conscientiousness

The **conscientiousness personality dimension** includes traits of dependability and integrity. Review Self-Assessment 2-1 statements 4, 9, 14, 19, and 24 for examples of conscientiousness. How strong is your desire to be successful?

Dependability

It is on a continuum between responsible/dependable to irresponsible/undependable. Highly dependable people get the job done and are characterized as loyal, committed to their coworkers and the organization. Are you dependable?

Integrity

It is on a continuum between being honest and ethical or not. Integrity is the foundation for trustworthiness.³² We focus on honesty here and will discuss ethics in more detail in the last section of this chapter. Integrity is about being honest—no lying, cheating (manipulating), or stealing.³³ Clearly, to be effective, leaders need integrity.³⁴ Do you have integrity?

Openness

The **openness-to-experience personality dimension** includes traits of flexibility, intelligence, and internal locus of control. Review Self-Assessment 2-1 statements 5, 10, 15, 20, and 25 for examples of openness-to-experience traits.

Flexibility

It refers to the ability to adjust to different situations and change.³⁵ Without flexibility, you will not be successful. Flexible people are generally more creative and innovative—willing to try new things and change. How willing are you to change and try new things? Are you flexible?

Intelligence

It refers to cognitive ability to think critically, to solve problems, and to make decisions. It is also referred to as general mental ability intelligence quotient (IQ). Intelligence is the

WORK Application 2-5

Using the same manager from Work Application 3, assess his or her emotional adjustment traits of effective leaders. Give an example of the manager's strong or weak emotional stability and narcissism and self-confidence in a typical specific situation.

WORK Application 2-6

Using the same manager from Work Application 3, assess his or her conscientiousness traits of effective leaders. Give an example of the manager's strong or weak dependability and integrity in a typical specific situation.

YOU Make the ETHICAL Call

2.1 Downsizing and Part-Time Workers

As firms struggle to compete in the global economy, many have downsized. *Downsizing* is the process of cutting resources to increase productivity. The primary area of cutting is human resources, which has led to layoffs. Another method of keeping costs down is using part-time employees who do not receive benefits (e.g., health care) rather than full-time employees who receive benefits.

Walmart is known for having a heavy ratio of part- to full-time employees to keep costs down. Walmart is expanding its sales of grocery items, competing directly with supermarket chains. One of the reasons Walmart has lower prices is because it uses mostly part-time workers at or close to minimum wage and without benefits. Most supermarket chain employees are unionized and get higher wages and more benefits, and they want better pay and benefits. But supermarket chains state that they can't afford to pay more; they must compete with Walmart.

1. Do you view Walmart as a company with integrity?
2. Is downsizing ethical and socially responsible?
3. Is using part-time, rather than full-time, employees ethical and socially responsible?

WORK Application 2-7

Using the same manager from Work Application 3, assess his or her openness to experience traits of effective leaders. Give an example of the manager's strong or weak flexibility, intelligence, and locus of control in a typical specific situation.

best predictor of job performance but not the only one as conscientiousness is also important. The founders of Microsoft (Bill Gates), Google (Sergey Brin and Larry Page), and Facebook (Mark Zuckerberg) all have 150+ IQs and math SAT skills at the 800 level, and they tend to have a bias for IQ when hiring.³⁶

IQ, EQ, and I got a clue. It has been said that to be successful a high IQ is important³⁷ but not enough. We also need strong interpersonal skills, or a high EQ (leading). Plus, we have to have a clue of what we are trying to accomplish (objectives) and how we will get the job done (planning, organizing, and controlling). Can you think of any people who are intelligent but lack people skills or don't seem to have a clue about what to do or how to get things done?

Locus of control

It is on a continuum between external and internal belief in control over one's destiny/performance. *Externalizers* believe that they have no control over their fate and that their behavior has little to do with their performance. *Internalizers* believe that they control their fate and that their behavior directly affects their performance. Effective internalizer leaders take responsibility for who they are, for their behavior and performance, and for the performance of their organizational unit. Are you more of an internalizer or an externalizer?

OPENING CASE Application



I. What Big Five and leadership personality traits does Ellen Kullman possess?

To a large extent, Ellen Kullman is a successful leader because of her strong personality in the Big Five.

She has a strong need for *surgency* that helped her climb the corporate ladder at DuPont, which is dominated by men. It took energy and determination to become the first woman CEO of DuPont. She is ranked #3 on the Fortune 50 Most Powerful Women list.³⁸

Kullman has *agreeableness*. She gets along well with people having strong interpersonal skills with EI. Kullman relies more on her personal relationships than her power as CEO to get the job done. She is also sociable and sensitive to others.

She is *conscientious* at getting the job done. Being very dependable by achieving great success was a cornerstone of her climbing the corporate ladder at DuPont. Plus she is viewed as having a high level of integrity.

Kullman is well *adjusted*. Competing in a company and industry dominated by men, she has self-control and self-confidence. She is calm, good under pressure, relaxed, secure, and positive. She praises the accomplishments of her employees at all levels.

She is *open* to new experience because of her innovating and bringing to market new products at a faster clip. Kullman is highly intelligent, has an internal locus of control as she takes charge to bring changes, and is flexible.

CONCEPT APPLICATION 2-1



Big Five Personality Dimensions

Identify each of these seven traits/behaviors by its personality dimension. Write the appropriate letter in the blank before each item.

- | | |
|------------------|---------------------------|
| a. surgency | d. conscientiousness |
| b. agreeableness | e. openness to experience |
| c. affiliation | |

- _____ 1. A leader is saying a warm, friendly hello to followers as they arrive at the meeting.
- _____ 2. A leader is brainstorming ideas with followers on new products.
- _____ 3. A follower is yelling about a problem, a leader calmly explains how to solve it.
- _____ 4. A leader is not very talkative when meeting some unexpected customers.
- _____ 5. A leader is letting a follower do the job his or her own way to avoid a conflict.
- _____ 6. A leader is giving detailed instructions to a follower to do the job.
- _____ 7. A purchasing agent submitted the monthly report on time as usual.

CONCEPT APPLICATION 2-2



Personality Traits of Effective Leaders

Identify each of the following eight behaviors by its trait. The leader may be behaving effectively, or the behavior may be the opposite of the effective trait behavior. Refer to Exhibit 2.2 and use the "leadership traits within the Big Five." Write the appropriate letter a–f in the blank before each item.

- _____ 8. A leader telling his boss that he is right on schedule to finish the job, planning to catch up before the boss finds out.
- _____ 9. A leader assigned a task to one follower, giving very specific instructions, and another task telling that follower to complete the task any way they want to.
- _____ 10. A leader is fixing a broken machine.
- _____ 11. A leader is acting very nervous while giving the follower a new task.
- _____ 12. A leader tells a follower that he can have lunch at noon. But 15 minutes later, the leader tells the follower to have lunch at 1:00.
- _____ 13. A leader listens to the follower complain and then paraphrases the complaint back to the follower.
- _____ 14. A leader in situation 10 above is/has been working to fix the machine for three hours now.
- _____ 15. A leader is giving excuses as to why performance is low and that nothing can be done to improve.

The Personality Profile of Effective Leaders

Effective leaders have a common personality profile. David McClelland's trait theories of Achievement Motivation Theory and Leader Motive Profile Theory have strong research support and a great deal of relevance to the practice of leadership. Achievement Motivation Theory identifies three major traits, which McClelland calls *needs*. Leader Motive Profile Theory identifies the personality profile of effective leaders.³⁹ You will learn about both of these theories in this section.

Learning Outcome

4

State how the Achievement Motivation Theory and the Leader Motive Profile are related and different

WORK

Application 2-8

How can you improve your leadership skills by understanding your manager's (and other people's) personality profile?

WORK

Application 2-9

Explain how your need for achievement, power, and/or affiliation has affected your behavior and performance, or that of someone you work with or have worked with. Give an example of the behavior and performance, and list your predicted motive need.

Achievement Motivation Theory

Achievement Motivation Theory attempts to explain and predict behavior and performance based on a person's need for achievement, power, and affiliation. Through an unconscious process, our behavior is motivated by our desire to satisfy our needs. McClelland stated that needs are based on personality and are developed as we interact with the environment. All people possess these three needs but to varying degrees.

The Need for Achievement (n Ach)

The *need for achievement* is the concern for excellence in accomplishments through individual efforts. High n Ach is categorized as the Big Five dimension of *conscientiousness* with dependability, but the person is not necessarily being high in integrity. People with high n Ach tend to be characterized as wanting to take personal responsibility for solving problems. They are goal oriented and set moderate, realistic, and attainable goals. They seek challenge, excellence, and individuality; take calculated, moderate risk; desire concrete feedback on their performance; and work hard. McClelland's research showed that only about 10 percent of the U.S. population has a very "strong" dominant need for achievement. There is evidence of a correlation between high achievement need and high performance in the general population.

The Need for Power (n Pow)

The *need for power* is the concern for influencing others and seeking positions of authority. High n Pow is categorized as the Big Five dimension of *surgency*. People with a high need for power tend to be characterized as wanting to control the situation, wanting influence or control over others, enjoying competition in which they can win (they don't like to lose), being willing to confront others, and seeking positions of authority and status. They tend to be ambitious and have a lower need for affiliation and agreeableness. They are attuned to power and politics as essential for successful leadership, and they tend to seek management positions.

The Need for Affiliation (n Aff)

The *need for affiliation* is the concern for developing, maintaining, and restoring close personal relationships. High n Aff is categorized as the Big Five dimension of *agreeableness*. People with strong n Aff have the trait of sociability/sensitivity and often high EI. People with high n Aff tend to be characterized as seeking close relationships with others, wanting to be liked by others, enjoying lots of social activities, and seeking to belong; so they join groups and organizations. People with high n Aff are more concerned about what others think of them than about getting their own way (influencing others). N Aff is negatively related to leadership. Those with a high n Aff tend to have a low n Pow; they tend to avoid management because they like to be one of the group rather than its leader.

CONCEPT APPLICATION 2-3

Achievement Motivation Theory

Identify each of the five behaviors below by its need, writing the appropriate letter in the blank before each item. The person may be behaving based on a strong need, or the behavior may be the opposite, indicating a weak need. Also state how the behavior meets the need and predict the performance.

- a. achievement b. power c. affiliation
- 16. A person is refusing to be the chairman of the committee.
- 17. A person is going to talk to a coworker to resolve a conflict they have.
- 18. The other coworker above will not be the first one to make a move to resolve the conflict; but when the other party comes to him, he will be receptive.
- 19. A finance major has offered to calculate the financial analysis for the group's simulation game and to make the presentation to the class.
- 20. A management major is studying hard for many hours to maintain his A average.

Your Motive Profile

Note that McClelland does not have a classification for the *adjustment* and *openness-to-experience* Big Five personality dimensions; they are not needs. A person can have a high or low need for achievement, power, and affiliation and be either well adjusted or not, and either open or closed to new experiences. So these two dimensions of personality are ignored in determining the Achievement Motivation Theory personality profile. Complete Self-Assessment 2 to determine your motive profile now.

SELF-ASSESSMENT 2-2 Motive Profile

Return to Self-Assessment 2-1 on page 32 and place the scores from your Big Five personality profile in the following blanks, next to their corresponding needs. On the number scale, circle your total score for each need.

Need for Achievement (conscientiousness)	Need for Power (urgency)	Need for Affiliation (agreeableness)
35	35	35
30	30	30
25	25	25
20	20	20
15	15	15
10	10	10
5	5	5
Total Score _____	Total Score _____	Total Score _____

There is no right or wrong score for this profile. To interpret your score, check to see if there is much difference between the three need scores. If all three are about the same, one need is not stronger than the others are. If scores vary, one need is higher than the others and is called the stronger or dominant need, and the lower score is the weaker need. You can also have other combinations, such as two stronger and one weaker, or vice versa. Do you have stronger and weaker needs?

Knowing a motive profile is useful, because it can explain and predict behavior and performance. Read on to determine if you have the motive profile of an effective leader.

Leader Motive Profile Theory

Leader Motive Profile Theory attempts to explain and predict leadership success based on a person's need for achievement, power, and affiliation. McClelland found that effective leaders consistently have the same motive profile and that Leader Motive Profile has been found to be a reliable predictor of leader effectiveness.⁴⁰ Let's first define the profile of effective leaders and then discuss why it results in success. The **Leader Motive Profile (LMP)** includes a high need for power, which is socialized, that is greater than the need for affiliation and with a moderate need for achievement. The achievement score is usually somewhere between the power and affiliation score, and the reason is described below.

Power

Power is essential to leaders because it is a means of influencing followers. Without power, there is no leadership. To be successful, leaders need to want to be in charge and enjoy dominance in the leadership role,⁴¹ with high energy and determination to succeed. We will need power to influence our followers, peers, and higher-level managers. We will discuss how to gain power and be successful in organizational politics in Chapter 5.

Socialized Power

McClelland further identified power as neither good nor bad. It can be used for personal gain at the expense of others (personalized power), or it can be used to help oneself and others (socialized power).⁴² Social power is discussed again later, with ethics. Effective leaders use socialized power, which includes the traits of sensitivity to others and stability with good EI relationships,⁴³ and is the Big Five *adjustment* dimension. Thus, a person with a low need for affiliation can have a high sensitivity to others. McClelland's research supports the reasons for executive derailment, because these negative traits are personalized power. Socialized power is not included in the motive profile, so complete Self-Assessment 3 to determine your motive profile with socialized power.

Achievement

To be effective, leaders generally need to have a moderate need for achievement. They have high energy, self-confidence, and openness-to-experience traits, and they are dependable—*conscientious* (Big Five dimension). The reason for a moderate, rather than a high, need for achievement, which would include a lower need for power, is the danger of personalized power. People with a high need for achievement tend to seek individual achievement, and when they are not interested in being a leader, there is the chance for personalized power and derailment.

Affiliation

Effective leaders have a lower need for affiliation than power, so that relationships don't get in the way of influencing followers. If the achievement score is lower than that for affiliation, the probability of the following problems occurring may be increased. Leaders with high n Aff tend to have a lower need for power and are thus reluctant to play the bad-guy role, such as disciplining and influencing followers to do things they would rather not do—like change. However, recall that effective leaders do have concern for followers—socialized power.

WORK Application 2-10

Make an intelligent guess about your present or past manager's motive profile. Is it an LMP? Explain.

SELF-ASSESSMENT 2-3

Motive Profile with Socialized Power

Return to Self-Assessment 2-1 on page 32 and place the scores from Self-Assessment 2 (your motive profile) in the following blanks. On the number scale, circle your total score.

Need for Achievement
(conscientiousness)

35
30
25
20
15
10
5
Total Score _____

Need for Power
(urgency)

35
30
25
20
15
10
5
Total Score _____

Socialized Power
(adjustment)

35
30
25
20
15
10
5
Total Score _____

Need for Affiliation
(agreeableness)

35
30
25
20
15
10
5
Total Score _____

Again, there is no right or wrong score. The adjustment score will give you an idea if your power is more social or personal. Also realize that the questions in Self-Assessment 2-1 (3, 8, 13, 18, and 23) are not totally focused on social power. Thus, if you believe you have higher sensitivity to others, your score on McClelland's LMP socialized power could be higher.

The Leader Motive Profile is included in the definition of leadership. Our definition of leadership includes the five key elements of leadership (see Exhibit 1.1 on page 5) in the LMP. Our definition of leadership includes *influencing* and *leaders-followers* (power) and getting along with *people* (social power with EI). It also includes *organizational objectives* (which achievers set and accomplish well) and *change* (which achievers are open to).

OPENING CASE Application



2. Does Ellen Kullman have the personality profile of an effective leader?

Ellen Kullman has an LMP. Her need for power is illustrated through climbing the corporate ladder in a male-dominated industry and company. She has a socialized need for power since she relies more on relationships than simply her power as CEO, and she uses participative management and does allow others to make decisions in local issues. Kullman has a need for achievement that leads to continued success. She also has a lower need for affiliation as she sets objectives and standards for improving performance and uses her power when needed.

Do you have an LMP? Complete Self-Assessment 4 now to find out.

SELF-ASSESSMENT 2-4

Leadership Interest

Select the option that best describes your interest in leadership now.

- _____ 1. I am, or want to become, a manager and leader.
- _____ 2. I am, or want to become, a leader without being a manager.
- _____ 3. I am not interested in being a leader; I want to be a follower.

If you want to be a leader, recall that research has shown that you can develop your leadership skills.

If you selected option 1, do you have an LMP? If you answered yes, it does not guarantee that you will climb the corporate ladder. However, having an LMP does increase your chances, because it is a predictor of leadership success. On the other hand, an LMP is not enough; you need leadership skills to be successful. If your Self-Assessment 3

score doesn't indicate that you have an LMP, go back to Self-Assessment 2-1 on page 33 and review questions 1, 6, 11, 16, and 21. Did you score them accurately? The most important question is 16. If you believe you have an LMP, be aware that your profile could be different using McClelland's LMP questionnaire. Also recall that not all successful leaders have an LMP; you can still be successful. Developing your leadership skills, through effort, will increase your chances of leadership success.

If you selected option 2, don't be concerned about your LMP. Focus on developing your leadership skills. However, your personality profile can help you better understand your strengths and weaknesses to identify areas to improve upon. This also holds true for people who selected option 1.

If you selected option 3, that's fine. Most people in the general population probably would select this option. Many professionals who have great jobs and incomes are followers, and they have no interest in becoming managers. However, recall that research has shown that leaders and followers need the same skills, that organizations are looking for employees with leadership skills, and that organizations conduct skills training with employees at all levels. To increase your chances of having a successful and satisfying career, you may want to develop your leadership skills. You may someday change your mind about becoming a leader and manager.

Your need for power and LMP can change over time, along with your interest in leadership and management and your skill level, regardless of which option you selected.

EXHIBIT

2.3

Combing the Big Five with Traits and Needs

The Big Five Model of Personality	Leadership Traits within the Big Five	Achievement Motivation Theory and Leader Motive Profile (LMP)
Surgeency	a. Dominance b. Extroversion c. Energy/Determination	Need for power
Agreeableness	d. Sociability/Sensitivity e. Emotional intelligence	Need for affiliation
Adjustment	f. Emotional Stability and Narcissism g. Self-confidence	Socialized power (LMP)
Conscientiousness	h. Dependability i. Integrity	Need for achievement
Openness	j. Flexibility k. Intelligence l. Locus of control	No separate need; it is included in the other needs

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Before we go on to discuss leadership attitudes, let's review what we've covered so far in Exhibit 2.3 by putting together the Big Five Model of Personality, the nine traits of effective leaders, and Achievement Motivation Theory and LMP.

Leadership Attitudes

Attitudes are positive or negative feelings about people, things, and issues. We all have favorable or positive attitudes, and unfavorable or negative attitudes about life, work, school, leadership, and everything else.⁴⁴ J.W. Marriott, Jr., president of Marriott Corporation, stated that the company's success depends more upon employee attitudes than any other single factor. Legendary football coach Lou Holtz says that attitude is the most

important thing in this world and that we each choose the attitude we have. So, being a positive or negative person is your choice. Successful leaders have positive, optimistic attitudes. Do you?

In this section, we discuss the important question, “how does leadership affect the behavior of followers?”⁴⁵ We start with how attitudes relate to Theory X and Theory Y, and how the Pygmalion effect influences followers’ behavior and performance. Then we discuss self-concept and how it affects the leader’s behavior and performance. Lastly, we consider how the leader’s attitudes about followers, and about his or her self-concept, affect the leadership style of the leader.

Learning
Outcome

5

Identify similarities and differences among Theory X and Theory Y, the Pygmalion effect, and self-concept.

Theory X and Theory Y

Today, **Theory X and Theory Y** attempt to explain and predict leadership behavior and performance based on the leader’s attitude about followers. Before you read about Theory X and Y, complete Self-Assessment 2-5.

SELF-ASSESSMENT 2-5

Theory X and Theory Y Attitudes

For each pair of statements distribute 5 points, based on how characteristic each statement is of your belief system. The combined score for each pair of the ten statements must equal 5.

Here are the scoring distributions for each pair of statements:

- | | |
|------------|--|
| 0–5 or 5–0 | I believe one statement and not the other. |
| 1–4 or 4–1 | I believe one statement much more than the other. |
| 2–3 or 3–2 | I believe both statements, although one more than the other. |

- | | |
|---|---|
| <p>1. _____ People enjoy working.
_____ People do not like to work.</p> <p>2. _____ Employees don’t have to be closely supervised to do their job well.
_____ Employees will not do a good job unless you closely supervise them.</p> <p>3. _____ If the manager is not around, the employees will work just as hard.
_____ If the manager is not around, the employees will take it easier than they will when being watched.</p> <p>4. _____ Employees will do a task well for you if you ask them to.
_____ If you want something done right, you need to do it yourself.</p> <p>5. _____ Interesting, challenging work is the best motivator of employee.
_____ Money is the best motivator of employees.</p> | <p>6. _____ Employees want to be involved in making decisions.
_____ Employees want the managers to make the decisions.</p> <p>7. _____ Employees will do their best work if you allow them to do the job their own way.
_____ Employees will do their best work if they are taught how to do it the one best way.</p> <p>8. _____ Managers should share the management responsibilities with group members.
_____ Managers should perform the management functions for the group.</p> <p>9. _____ Managers should let employees have full access to information that is not confidential.
_____ Managers should give employees only the information they need to know to do their job.</p> |
|---|---|

(continued)

10. _____ The participative management style is the best leadership style.
 _____ The autocratic management style is the best leadership style.

To determine your attitude about people at work, add up the numbers (0–5) for the first statement in each pair; don't bother adding the numbers for the

second statements. The total should be between 0 and 50. Place your score on the continuum below.

0 — 5 — 10 — 15 — 20 — 25 — 30 — 35 — 40 — 45 — 50
 Theory X Theory Y

Generally, the higher your score, the greater are your Theory Y beliefs, and the lower the score, the greater your Theory X attitudes.

Douglas McGregor classified attitudes or belief systems, which he called *assumptions*, as *Theory X* and *Theory Y*.⁴⁶ People with Theory X attitudes hold that employees dislike work and must be closely supervised in order to do their work. Theory Y attitudes hold that employees like to work and do not need to be closely supervised in order to do their work. In each of the ten pairs of statements in Self-Assessment 2-5, the first lines are Theory Y attitudes and the second lines are Theory X attitudes.

Managers with Theory X attitudes tend to have a negative, pessimistic view of employees and display more coercive, autocratic leadership styles using external means of controls, such as threats and punishment. Managers with Theory Y attitudes tend to have a positive, optimistic view of employees and display more participative leadership styles using internal motivation and rewards.

It is widely accepted that managers with Theory Y attitudes are generally more productive than Theory X attitudes.⁴⁷ The six derailed executive traits reflect Theory X behaviors. If you scored higher in Theory X for Self-Assessment 2-5, it does not mean that you cannot be an effective leader. There are some situations, such as large-scale production and unskilled workers where a more autocratic style works well. As with personality traits, we can change our attitudes, with effort. We don't have to be autocratic leaders.

WORK

Application 2-11

Give an example of when a person (parent, friend, teacher, coach, manager) really expected you either to perform well or to fail, and treated you like you would, which resulted in your success or failure

The Pygmalion Effect

*The **Pygmalion effect** proposes that leaders' attitudes toward and expectations of followers, and their treatment of them, explain and predict followers' behavior and performance.* We have already talked about attitudes, so let's add expectations and treatment. In business, expectations are stated as objectives and standards. Lou Holtz advises setting a higher standard; the worst disservice you can do as a coach, teacher, parent, or leader is to expect little and lower standards. Just treating employees well and getting them in a good mood as they start their day can have a huge impact on performance.⁴⁸

OPENING CASE Application



3. How did “attitude” help improve the performance of DuPont?

A major factor in Ellen Kullman's improving the performance of DuPont is in her positive attitude with a Theory Y attitude toward her employees. She has a positive optimistic view of employees and uses a participative leadership style. Kullman has faith in her employees and expects them to succeed, and they do.

Self-Concept

So far, we have discussed the leaders' attitudes about followers. Now we will examine leaders' attitudes about themselves. **Self-concept** refers to the positive or negative attitudes people have about themselves. If you have a positive view of yourself as being a capable person, you will tend to have the positive self-confidence trait. *Self-efficacy* is the belief in your own capability to perform in a specific situation, which is based on your self-concept and self-confidence.

What we think determines what happens to us. As Henry Ford put it, "If you think you can, you can; if you think you can't, you can't." Recall times when you had positive self-efficacy and were successful, or negative self-efficacy and failed. If you don't believe you can be a successful leader, you probably won't be.

OPENING CASE Application



4. How did Ellen Kullman's self-concept affect her leadership?

Ellen Kullman rarely doubted that she could do whatever she applied herself to accomplish. Back when she went to Tufts to major in engineering, there were not many women entering the male-dominated field, but she knew she would graduate and go on to a successful career. Without a positive self-attitude, she would not have had the confidence, especially being in a male-dominated company, that she could climb the corporate ladder at DuPont all the way to the top. Kullman has self-efficacy as CEO, as she knew she could improve the performance at DuPont, and she is doing that.

Developing a More Positive Attitude and Self-Concept

Our behavior and performance will be consistent with the way we see ourselves. Think and act like a winner, and you may become one. Self-awareness and self-development help.⁴⁹ Following are some ideas to help you change your attitudes and develop a more positive self-concept:

1. *Realize that there are few, if any, benefits to negative, pessimistic attitudes about others and yourself.* Do holding a grudge, worrying, and being afraid of failure help you to succeed?
2. *Consciously try to have and maintain a positive, optimistic attitude.* If you don't have a positive attitude, it may be caused by your unconscious thoughts and behavior. Only with conscious effort can you improve your self-concept.
3. *Cultivate optimistic thoughts.* Scientific evidence suggests that your thoughts affect every cell in your body. Every time you think positive thoughts, your body, mind, and spirit respond. Use positive self-talk—I will do a good job; it will be done on time; and so on. Also use mental imagery—picture yourself achieving your goal.
4. *If you catch yourself complaining or being negative in any way, stop and change to a positive attitude.* With time, you will catch yourself less often as you become more positive about yourself.
5. *Avoid negative people, especially those who make you feel negative about yourself.* Associate with people who have a positive self-concept, and use their positive behavior.
6. *Set and achieve goals.* Set short-term goals (daily, weekly, monthly) that you can achieve. Achieving specific goals will improve your self-concept.
7. *Focus on your success; don't dwell on failure.* We are all going to make mistakes and experience failure, but we need to bounce back. If you achieve five of six goals, dwell on the five and forget the one you missed. Lou Holtz says happiness is nothing more than a poor memory for the bad things that happen to you.

WORK Application 2-12

Recall a present or past manager. Using Exhibit 2.4, which combinations of attitudes best describe your manager's leadership style? Give examples of the manager's behavior that illustrate his or her attitudes.

8. *Don't belittle accomplishments or compare yourself to others.* If you meet a goal and say it was easy anyway, you are being negative. If you compare yourself to someone else and say they are better, you are being negative. No matter how good you are, there is almost always someone better. So focus on being the best that you can be, rather than putting yourself down for not being the best.
9. *Accept compliments.* When someone compliments you, say thank you; it builds self-concept. Don't say things like it was nothing, or anyone could have done it, because you lose the opportunity for a buildup.
10. *Be a positive role model.* If the leader has a positive attitude, the followers usually do too. We can choose to be optimistic or pessimistic—and we usually find what we are looking for. If you look for the positive, you are likely to be happier and get more out of life; why look for the negative and be unhappy?
11. *When things go wrong and you're feeling down, do something to help someone who is worse off than you.* You will realize that you don't have it so bad, and you will realize that the more you give, the more you get. Volunteering at a hospital, soup kitchen, or becoming a Big Brother or Sister can help change your attitude. This is also a great cure for loneliness.

Learning
Outcome

6

Describe how attitudes are used to develop four leadership styles.

How Attitudes Develop Leadership Styles

We now put together the leader's attitudes toward others, using Theory X and Theory Y, and the leader's attitude toward self, using self-concept, to illustrate how these two sets of attitudes develop into four leadership styles. Combining attitudes with the Leader Motive Profile (LMP), an effective leader tends to have Theory Y attitudes with a positive self-concept. See Exhibit 2.4 to understand how attitudes toward self and others affect leadership styles.

EXHIBIT

2.4

Leadership Styles Based on Attitudes

	Theory Y Attitudes	Theory X Attitudes
Positive self-concept	The leader typically gives and accepts positive feedback, expects others to succeed, and uses a participative leadership style.	The leader typically is bossy, pushy, and impatient; does much criticizing with little praising; and uses an autocratic leadership style.
Negative self-concept	The leader typically is afraid to make decisions, is unassertive, and is self-blaming when things go wrong.	The leader typically blames others when things go wrong, is pessimistic about resolving personal or organizational problems, and promotes feeling of hopelessness among followers.

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Ethical Leadership

Before we discuss ethical behavior, complete Self-Assessment 2-6 to find out how ethical your behavior is.

SELF-ASSESSMENT 2-6

How Ethical Is Your Behavior?

For this exercise, you will be using the same set of statements twice. The first time you answer them, focus on your own behavior and the frequency with which you use it for each question. On the line before the question number, place the numbers 1–4 that represent how often you “did do” the behavior in the past, if you “do the behavior now,” or if you “would do” the behavior if you had the chance.

These numbers will allow you to determine your level of ethics. You can be honest without fear of having to tell others your score in class. Sharing ethics scores is not part of the exercise.

Frequently
1 2 3 4
Never

The second time you use the same statements, focus on other people in an organization that you work/worked for. Place an “O” on the line after the number if you observed someone doing this behavior. Also place an “R” on the line if you reported (whistle-blowing) this behavior within the organization or externally.

O—observed R—reported
1–4 O–R

College

- _____ 1. _____ Cheating on homework assignments.
- _____ 2. _____ Cheating on exams.
- _____ 3. _____ Passing in papers that were completed by someone else, as your own work.

Workplace

- _____ 4. _____ Lying to others to get what you want or stay out of trouble.
- _____ 5. _____ Coming to work late, leaving work early, taking long breaks/lunches and getting paid for it.
- _____ 6. _____ Socializing, goofing off, or doing personal work rather than doing the work that should be done and getting paid for it.
- _____ 7. _____ Calling in sick to get a day off, when not sick.
- _____ 8. _____ Using the organization's phone, computer, Internet, copier, mail, car, and so on for personal use.
- _____ 9. _____ Taking home company tools/equipment for personal use without permission and then returning them/it.
- _____ 10. _____ Taking home organizational supplies or merchandise and keeping it.
- _____ 11. _____ Giving company supplies or merchandise to friends or allowing

them to take them without saying anything.

- _____ 12. _____ Putting in for reimbursement for meals and travel or other expenses that weren't actually eaten or taken.
- _____ 13. _____ Taking spouse/friends out to eat or on business trips and charging it to the organizational expense account.
- _____ 14. _____ Accepting gifts from customers/suppliers in exchange for giving them business.
- _____ 15. _____ Cheating on your taxes.
- _____ 16. _____ Misleading customers to make a sale, such as short delivery dates.
- _____ 17. _____ Misleading competitors to get information to use to compete against them, such as saying/pretending to be a customer/supplier.
- _____ 18. _____ Manipulating data to make you look good, or others bad.
- _____ 19. _____ Selling more of the product than the customer needs, to get the commission.
- _____ 20. _____ Spreading false rumors about coworkers or competitors to make yourself look better for advancement or to make more sales.
- _____ 21. _____ Lying for your boss when asked/told to do so.

- ____22. ____ Deleting information that makes you look bad or changing information to look better than actual results—false information.
- ____23. ____ Being pressured, or pressuring others, to sign off on documents with false information.
- ____24. ____ Being pressured, or pressuring others, to sign off on documents you haven't read, knowing they may contain information or decisions that might be considered inappropriate.
- ____25. ____ If you were to give this assessment to a person you work with and with whom you do not get along very well, would she agree with your answers? Use a scale of yes 4—I on the line before the number 25 and skip O or R.

26. ____
27. ____
28. ____

Note: This self-assessment is not meant to be a precise measure of your ethical behavior. It is designed to get you thinking about ethics and your behavior and that of others from an ethical perspective. There is no right or wrong score; however, each of these actions is considered unethical behavior in most organizations. Another ethical issue of this exercise is your honesty when rating the frequencies of your behavior. How honest were you?

Scoring: To determine your ethics score, add the numbers 1–4. Your total will be between 25 and 100. Place the number here and on the continuum below that represents your score. The higher your score, the more ethical is your behavior, and vice versa for lower scores.

25—30—40—50—60—70—80—90—100
Unethical Ethical

Other Unethical Behavior:

Add other unethical behaviors you observed. Identify if you reported the behavior by using R.

Members of organizations face moral issues,⁵⁰ and leaders set the ethical climate and are responsible for employee ethical or unethical behavior.⁵¹ Unfortunately, scandals have become too commonplace,⁵² often based on the greedy win at all cost philosophy.⁵³ Corporate scandals globally have led to a distrust of leaders,⁵⁴ to the point where only around 30 percent of developed countries trust organizational leaders.⁵⁵ **Ethics are the standards of right and wrong that influence behavior.** Right behavior is considered ethical, and wrong behavior is considered unethical.

Government laws and regulations are designed to help keep business honest. To this end, Congress passed the Sarbanes-Oxley Act of 2002 to help ensure that complaints about financial irregularities would surface and be swiftly acted upon, without retaliation against the person who exposed the unethical behavior (“whistle-blower”). However, the government can’t make people be ethical. But recall that AACSB (Chapter 1) lists ethical understanding as an important competency.⁵⁶ Thus, business schools are focusing on ethics,⁵⁷ as it is generally agreed that ethics can be taught.⁵⁸

In this section, we discuss that ethical behavior does pay; how personality traits and attitudes, moral development, and the situation affect ethical behavior; how people justify unethical behavior; some simple guides to ethical behavior; and being an ethical leader.

Does Ethical Behavior Pay?

Generally, the answer is yes. Research has found a direct link to bottom-line performance.⁵⁹ Unethical decisions have led to dramatic costs in fines, reputational damage, and imprisonment.⁶⁰ Society also suffers, such as the financial crisis that plunged world economies into recession.⁶¹ Most highly successful people are ethical.⁶² Being ethical may be difficult, but it has its rewards.⁶³ It actually makes you feel better.⁶⁴ Honest people have fewer mental health and physical complaints, like anxiety and back pain, and better social interactions.⁶⁵

Ethics is so important that large organizations have ethics officers who are responsible for developing and implementing ethics codes (standards of what is ethical and what is not) to help guide employees to ethical behavior.⁶⁶

Leadership success is based on personal traits, including integrity—having character of being honest (no lying, stealing, or cheating).⁶⁷ Trust among employees is vital, and trust is based on integrity.⁶⁸ If you are not honest with people and take advantage of them, they will not trust you and you will not have the ability to influence them. So there is a direct link between being ethical and being an effective leader.⁶⁹

Learning
Outcome

7

Compare the three levels of moral development.

Factors Influencing Ethical Behavior

In this subsection, we discuss why good people do bad things, and three related concepts: how personality traits and attitudes, moral development, and the situation affect ethical behavior.

Why Do Good People Do Bad Things?

Most people understand right and wrong behavior and have a conscience. So why do good people do bad things? Most often, when people behave unethically, it is not because they have some type of character flaw or were born bad. It can be incredibly tempting to be unethical.⁷⁰ Most people aren't simply good or bad. Just about everyone has the capacity to be dishonest.⁷¹ One percent of people will always be honest, one percent will always be dishonest, and 98 percent will be unethical at times but just a little.⁷² We respond to "incentives" and can usually be manipulated to behave ethically or unethically, if you find the right incentives.⁷³ The incentive is usually looking out for our own self-interest,⁷⁴ and can be personal gain or to avoid getting into trouble.⁷⁵

Most people don't go into business thinking, "I'm going to be unethical." It often starts with the temptation to do something unethical for personal gain. Without getting caught and punished, people tend to get worse over time as they become desensitized to their unethical behavior. In most cases, the person is eventually caught and punished. This is illustrated in the film *The Wolf of Wall Street*. Leonardo DiCaprio plays the role of Jordan Belfort, whose unethical behavior starts small and leads to his imprisonment.⁷⁶ So once you start down the road of unethical behavior, it is difficult to pull a u-turn.

Personality Traits and Attitudes

Our ethical behavior is related to our individual needs and personality traits of character with integrity.⁷⁷ But personality alone is not a good predictor of unethical behavior. Leaders with surgency (dominance) personality traits have two choices: to use power for personal benefit or to use socialized power. To gain power and to be conscientious with high achievement, some people will use unethical behavior.

An agreeableness personality sensitive to others can lead to following the crowd in either ethical or unethical behavior. Emotionally unstable people and those with external locus of control are more likely to use unethical behavior. People with positive attitudes about ethics tend to be more ethical than those with negative or weak attitudes about ethics.⁷⁸

Moral Development

A second factor affecting ethical behavior is *moral development*, which refers to understanding right from wrong and choosing to do the right thing with a moral identity.⁷⁹

Our ability to make ethical choices is related to our level of moral development and judgments.⁸⁰ There are three levels of personal moral development, as discussed in Exhibit 2.5, and we can improve our character development.⁸¹

EXHIBIT**2.5****Levels of Moral Development****3. Postconventional**

Behavior is motivated by universal principles of right and wrong, regardless of the expectations of the leader or group. One seeks to balance the concerns for self with those of others and the common good. He or she will follow ethical principles even if they violate the law at the risk of social rejection, economic loss, and physical punishment (Martin Luther King, Jr., broke what he considered unjust laws and spent time in jail seeking universal dignity and justice).

"I don't lie to customers because it is wrong."

The common leadership style is visionary and committed to serving others and a higher cause while empowering followers to reach this level.

2. Conventional

Living up to expectations of acceptable behavior defined by others motivates behavior to fulfill duties and obligations. It is common for followers to copy the behavior of the leaders and group. If the group (can be society/organization/department) accepts lying, cheating, stealing, and so on, when dealing with customers/suppliers/government/competitors, so will the individual. On the other hand, if these behaviors are not accepted, the individual will not do them either. Peer pressure is used to enforce group norms.

"I lie to customers because the other sales reps do it too."

It is common for lower-level managers to use a similar leadership style of the higher-level managers.

1. Preconventional

Self-interest motivates behavior to meet one's own needs to gain rewards while following rules and being obedient to authority to avoid punishment.

"I lie to customers to sell more products and get higher commission checks."

The common leadership style is autocratic toward others while using one's position for personal advantage.

Source: Adapted from Lawrence Kohlberg, "Moral Stages and Moralization: The Cognitive-Development Approach." In Thomas Likona (ed.),

Moral Development and Behavior: Theory, Research, and Social Issues (Austin, TX: Holt, Rinehart and Winston, 1976), 31–53.

At the first level, preconventional, we choose right and wrong behavior based on our self-interest and the consequences (reward and punishment). With ethical reasoning at the second level, conventional, we seek to maintain expected standards and live up to the expectations of others. One does what the others do. At the third level, postconventional, we make an effort to define moral principles regardless of leader or group ethics. Although most of us have the ability to reach the third level of moral development, postconventional, only about 20 percent of people reach this level.

Source: Adapted from Lawrence Kohlberg, "Moral Stages and Moralization: The Cognitive-Development Approach." In Thomas Likona (ed.), *Moral Development and Behavior: Theory, Research, and Social Issues* (Austin, TX: Holt, Rinehart and Winston, 1976), 31–53.

WORK**Application 2-13**

Give an organizational example of behavior at each of the three levels of moral development.

Most people behave at the second level, conventional, while some have not advanced beyond the first level, preconventional. How do you handle peer pressure to be unethical? What level of moral development are you on? What can you do to further develop your ethical behavior? We will discuss how to be an ethical leader.

The Situation

Our third factor affecting ethical behavior is the situation. People consider the situational forces in determining ethical behavior.⁸² We are susceptible to social influence.⁸³ Unethical organizational behavior has been attributed to the effects of individual unethical “bad apples.”⁸⁴ The bad is stronger than the good effect as a bad apple can spoil the whole barrel (organization).⁸⁵

Highly competitive and unsupervised situations increase the odds of unethical behavior. Unethical behavior occurs more often when there is no formal ethics policy or code of ethics, and when unethical behavior is not punished, and it is especially prevalent when it is rewarded. In other words, people are more unethical when they believe they will not get caught and punished.⁸⁶ Unethical behavior is also more likely when performance falls below aspiration levels. People also tend to be more ethical in the morning.⁸⁷ People are also less likely to report unethical behavior (blow the whistle) when they perceive the violation as not being serious and when the offenders are their friends.

Integration

To tie the three factors affecting ethical behavior together, we need to realize that personality traits and attitudes and moral development interact with the situation to determine if a person will use ethical or unethical behavior. In this chapter we use the individual level of analysis: Am I ethical, and how can I improve my ethical behavior? At the organizational level, many firms offer training programs and develop codes of ethics to help employees behave ethically. The organizational level of analysis is examined in Part Three of this book; therefore, ethics and whistle-blowing will be further discussed in Chapter 10.

OPENING CASE Application**5. What role does ethics play at DuPont?**

It always has been, and continues to be, the intent of DuPont that its employees maintain the highest ethical standards in their conduct of company affairs. Here are some of its ethical principles. In living up to its ethical philosophy, DuPont will be fair and honest in all dealings on behalf of the company, do what is right rather than what is expedient, and conduct all dealings with suppliers, customers, and others in a manner that excludes consideration of personal advantage.⁸⁸

How People Justify Unethical Behavior

As we seek our own self-interest,⁸⁹ most of us give in to temptation and do the wrong thing sometimes.⁹⁰ Few people see themselves as unethical. We all want to view ourselves in a positive manner. If we only cheat a little, we can still feel good about our sense of integrity.⁹¹ Therefore, when we do use unethical behavior, we often justify the behavior to protect our self-concept so that we don't have to feel bad.⁹² **Moral justification** is the thinking process of rationalizing why unethical behavior is used. We rationalize with statements like “this is a widespread business practice,” “everybody does it,” and “I deserve it.” Let's discuss several thinking processes used to justify unethical behavior.

WORK**Application 2-14**

Give at least two organizational examples of unethical behavior and the process of justification.

- **Higher purpose** is rationalizing immoral behavior in terms of a higher purpose. “It’s for a greater good.”⁹³ People lie, cheat, and steal, claiming it is for the good of the organization, department, or employees.
- **Displacement of responsibility** is the process of blaming one’s unethical behavior on others. “I was only following orders; my boss told me to inflate the figures.”⁹⁴
- **Diffusion of responsibility** is the process of the group using the unethical behavior with no one person being held responsible. “It isn’t my decision.”⁹⁵ Everyone does it.”⁹⁶ “We all take bribes/kickbacks; it’s the way we do business,” or “We all take merchandise home (steal).” If you hear others are doing something, you will tend to be tempted to be unethical to.⁹⁷
- **Advantageous comparison** is the process of comparing oneself to others who are worse. “I call in sick when I’m not sick only a few times a year; Tom and Ellen do it all the time.” “We pollute less than our competitors do.” I’m only fudging a little.”⁹⁸
- **Disregard or distortion of consequences** is the process of minimizing the harm caused by the unethical behavior. ⁹⁹ “If I inflate the figures, no one will be hurt and I will not get caught. And if I do, I’ll just get a slap on the wrist anyway.” Was this the case at Enron?
- **Attribution of blame** is the process of claiming the unethical behavior was caused by someone else’s behavior. “It’s my coworker’s fault that I hit him. He called me/did xxx, so I had to hit him.”
- **Euphemistic labeling** is the process of using “cosmetic” words to make the behavior sound acceptable. *Terrorist group* sounds bad but *freedom fighter* sounds justifiable. *Misleading* or *covering up* sounds better than *lying to others*.

It is important to understand the subtlety of how unethical behavior can take hold of you. Simply doing what “works for you,” what “makes you feel good,” or “doing whatever it takes,” often leads to unethical behavior. Unethical behavior that you justify might give you some type of short-term gain, but in the long run, you’ve sabotaged yourself.¹⁰⁰ Which justification processes have you used? How can you improve your ethical behavior by not using justification?

CONCEPT APPLICATION 2-4**Justifying Unethical Behavior**

Identify each thinking process used to justify the unethical behavior below.

- | | |
|-----------------------------------|--|
| a. moral justification | e. disregard or distortion of consequences |
| b. displacement of responsibility | f. attribution of blame |
| c. diffusion of responsibility | g. euphemistic labeling |
| d. advantageous comparison | |
- ___ 21. Yes. We have to take the other team’s play book so that we can win the game.
 - ___ 22. I only take candy once in a while. Jean takes one every day.
 - ___ 23. We all do it, so don’t worry about it. Everyone takes candy without paying for it.
 - ___ 24. It’s not my fault. Kevin started breaking it, so I just joined in.
 - ___ 25. Yes. I’m keeping it. I found it and the company will never miss it anyway.
 - ___ 26. I lied to the customer because my boss told me too.
 - ___ 27. Yes. Our boss is married, but that is no stopping her from having an affair with the president.

YOU Make the ETHICAL Call

2.2 Sex and Violence

Over the years, various social activist groups, including the Parents Television Council, the National Viewers and Listeners Association, and the National Coalition against Censorship, have taken a stance for and against censorship of sex and violence on TV and in the movies. People call for more censorship to protect children from seeing sex and violence, while others don't want censorship, stating it violates free speech laws.

Advocates of regulation state the fact that many cable stations show reruns of major network shows in the daytime and early evening when children are watching. For example, *Sex and the City* and *Jersey Shore* are aired in different areas at all hours of the day and night.

1. Does the media (TV, movies, and music) influence societal values?
2. Does the media, with sex and violence, reflect current religious and societal values?
3. The Federal Communications Commission (FCC) has the power to regulate television. Should the FCC regulate the media, and, if yes, how far should it go? Should it require toning down the sex and violence, airing the shows only later at night, or should it take shows like *Sex and the City* and *Jersey Shore* off the air?
4. Is it ethical and socially responsible to show sex and violence against women, and to portray women as sex objects?
5. Which of the seven justifications of unethical behavior do the media use to defend sex and violence?

Guides to Ethical Behavior

Every day in our personal and professional life, we face situations in which we can make ethical or unethical choices. As discussed, you make these choices based on your personality traits and attitudes, level of moral development, and the situation. Research shows that making a decision without using an ethical guide leads to less ethical choices.¹⁰¹ So ethical guidelines can have a positive influence on our making ethical decisions.¹⁰² Following are some guides that can help us make ethical decisions.

Golden Rule

The golden rule is, "Do unto others as you want them to do unto you." Or, put other ways, "Don't do anything to other people that you would not want them to do to you." "Lead others as you want to be led." Sammy Hagar says, "You have to treat people the way you want to be treated."¹⁰³ Do you like it when people lie to you, cheat you, or steal from you?

Four-Way Test

Rotary International developed the four-way test of the things we think and do to guide business transactions. The four questions are (1) Is it the truth? (2) Is it fair to all concerned? (3) Will it build goodwill and better friendship? (4) Will it be beneficial to all concerned? When making your decision, if you can answer yes to these four questions, it is probably ethical. Anne Beiler, founder of **Auntie Anne's**, advice is to tell the truth, even if it hurts.¹⁰⁴

Codes of Ethics

Also called *codes of conduct*, state the importance of conducting business in an ethical manner and provide guidelines or standards for ethical behavior.¹⁰⁵ Most large businesses have written codes of ethics you should follow.

Stakeholder Approach to Ethics

Under the **stakeholder approach to ethics**, one creates a win-win situation for relevant parties affected by the decision. A win-win situation meets the needs of the organization and employees as well as those of other stakeholders, so that everyone benefits from the decision. Stakeholders include everyone affected by the decision.¹⁰⁶ You can ask yourself one simple question to help you determine if your decision is ethical from a stakeholder approach:

“Am I proud to tell relevant stakeholders my decision?”

If you are proud to tell relevant stakeholders your decision, it is probably ethical. If you are not proud to tell others your decision, or you keep justifying it, the decision may not be ethical. Justifying is usually a cop-out. You can’t always create a win for everyone, but you can try.

Discernment and Advice

Making an immediate decision leads to increased odds of unethical behavior, whereas taking time to contemplate the decision and talking to others for advice lead to increased odds of ethical behavior.¹⁰⁷ If you are unsure whether a decision is ethical, talk to your boss, higher-level managers, and other people with high ethical standards. If you are reluctant to ask others for advice because you may not like their answers, and you keep justifying it, the decision may not be ethical. Seeking advice is especially important in the global economy because what is considered unethical in one country may be considered ethical in another country.¹⁰⁸

“Take It To The Net”. Access student resources at www.cengagebrain.com. Search for Lussier, Leadership 6e to find student study tools.

Chapter Summary

The chapter summary is organized to answer the ten learning outcomes for this chapter:

1 Explain the universality of traits of effective leaders.

Traits are universal in the sense that there are certain traits that most effective leaders have. However, traits are not universal in the sense that there is no one list of traits that is clearly accepted by all researchers, and not all effective leaders have all the traits.

2 Describe the Big Five personality dimensions.

The surgency personality dimension includes leadership and extraversion traits. The agreeableness personality

dimension includes traits related to getting along with people. The adjustment personality dimension includes traits related to emotional stability. The conscientiousness personality dimension includes traits related to achievement. The openness-to-experience personality dimension includes traits related to being willing to change and try new things.

3 Discuss why the trait of dominance is so important for managers to have.

Because the dominance trait is based on the desire to be a leader, this trait affects the other traits in a positive or negative way based on that desire.

- 4 State how the Achievement Motivation Theory and the Leader Motive Profile are related and different.**

Achievement Motivation and Leader Motive Profile theories are related because both are based on the need for achievement, power, and affiliation. They are different because the Achievement Motivation Theory is a general motive profile for explaining and predicting behavior and performance, while the LMP is the one profile that specifically explains and predicts leadership success.

- 5 Identify similarities and differences among Theory X and Theory Y, the Pygmalion effect, and self-concept.**

The concept of Theory X and Theory Y is similar to the Pygmalion effect, because both theories focus on the leader's attitude about the followers. The Pygmalion effect extends Theory X and Theory Y attitudes by including the leader's expectations and how he or she treats the followers, using this information to explain and predict followers' behavior and performance. In contrast, Theory X and Theory Y focus on the leader's behavior and performance. Both approaches are different from self-concept because they examine the leader's attitudes about others, whereas self-concept relates to the leader's attitude about him- or herself. Self-concept is also different because it focuses on how the leader's attitude about him- or herself affects his or her behavior and performance.

- 6 Describe how attitudes are used to develop four leadership styles.**

The leader's attitude about others includes Theory Y (positive) and Theory X (negative) attitudes. The leader's attitude about him- or herself includes a positive self-concept or a negative self-concept. Combinations of these variables are used to identify four leadership styles: Theory Y positive self-concept, Theory Y negative self-concept, Theory X positive self-concept, and Theory X negative self-concept.

- 7 Compare the three levels of moral development.**

At the lowest level of moral development, preconventional, behavior is motivated by self-interest, seeking rewards, and avoiding punishment. At the second level, conventional, behavior is motivated by meeting the group's expectations to fit in by copying others' behavior. At the highest level, post-conventional, behavior is motivated to do the right thing, at the risk of alienating the group. The higher the level of moral development, the more ethical is the behavior.

- 8 Explain the stakeholder approach to ethics.**

Under the stakeholder approach to ethics, the leader (or follower) creates a win-win situation for relevant parties affected by the decision. If you are proud to tell relevant stakeholders your decision, it is probably ethical. If you are not proud to tell others your decision, or you keep justifying it, the decision may not be ethical.

Key Terms

Achievement Motivation Theory, 41

adjustment personality dimension, 37

agreeableness personality dimension, 37

attitudes, 45

Big Five Model of Personality, 36

conscientiousness personality dimension, 38

ethics, 51

Leader Motive Profile (LMP), 43

Leader Motive Profile Theory, 43

moral justification, 54

openness-to-experience personality dimension, 38

personality, 34

personality profiles, 34

Pygmalion effect, 47

self-concept, 48

stakeholder approach to ethics, 57

surgency personality dimension, 36

Theory X and Theory Y, 46

traits, 34

Review Questions

- 1** What are the Big Five dimensions of traits?
- 2** What is the primary use of personality profiles?
- 3** What are some of the traits that describe the high-energy trait?
- 4** Is locus of control important to leaders? Why?
- 5** What does intelligence have to do with leadership?
- 6** Does sensitivity to others mean that the leader does what the followers want to do?

- 7 Does McClelland believe that power is good or bad? Why?
- 8 Should a leader have a dominant need for achievement to be successful? Why or why not?
- 9 How do attitudes develop leadership styles?
- 10 Which personality traits are more closely related to ethical and unethical behavior?
- 11 Do people change their level of moral development based on the situation?
- 12 Why do people justify their unethical behavior?

Critical-Thinking Questions

The following critical-thinking questions can be used for class discussion and/or as written assignments to develop communication skills. Be sure to give complete explanations for all questions.

- 1 Would you predict that a person with a strong agreeableness personality dimension would be a successful computer programmer? Why or why not?
- 2 McGregor published Theory X and Theory Y over 30 years ago. Do we still have Theory X managers? Why?
- 3 In text examples related to the Pygmalion effect, Lou Holtz calls for setting a higher standard. Have the standards in school, society, and work increased or decreased over the last five years?
- 4 Do you believe that if you use ethical behavior it will pay off in the long run?
- 5 Can ethics be taught and learned?
- 6 Which justification do you think is used most often?
- 7 As related to the simple guide to ethical behavior, how do you want to be led?

CASE

Blake Mycoskie and TOMS

By age 29, Blake Mycoskie had already started four businesses. He got the idea to start his fifth business on a trip to Argentina. Blake observed that many people were wearing alpargatas—soft casual canvas shoes—and he thought they would sell in America. But he also realized that there were also many poor people without any shoes who had blisters, sores, and infections. So he decided to help.

Back home in America, Blake got involved in a volunteer shoe drive to ship shoes overseas. But he realized that there was a need for a constant flow of shoes and that even a nonprofit organization couldn't be very sustainable through simply donations. He was also an entrepreneur and wanted to make money. So Blake came up with the idea of being a social entrepreneur by combining business and charity to help others and make the world a better place.¹⁰⁹

Blake Mycoskie founded TOMS, which stands for TOMmorrowS shoes, in 2006. He developed the One for One business model—for every pair of shoes TOMS sells, it

gives away a free pair to a child in need. But as with entrepreneurial new ventures, it wasn't easy. In fact, Blake was told that he didn't understand the shoe industry and that his business wouldn't be successful. But that didn't stop Blake. To date, TOMS has given away more than 10 million pairs of shoes.¹¹⁰

Blake realized that he couldn't just buy the alpargate shoes. They needed to be more stylish, comfortable, and durable to sell in the United States. So with no knowledge of the shoe industry and not speaking Spanish, he returned to Argentina to find a local partner, and teamed up with shoemaker Alejo for help. Together they developed a prototype and Blake brought 250 pairs home to Los Angeles.

Blake ran a focus group by inviting a bunch of friends, mostly women, to his place. He told them his story and One for One, and they discussed the potential market and price for the shoes and where they could be sold. They loved the story, bought a pair of shoes, and spread the word.

Blake went to retail stores and told his story and tried to get them to sell TOMS, but he got lots of rejections. Blake would tell his story to anyone who would listen. He would wear two different shoes just to get people to talk to him so he could tell his story. Blake's first two big breaks came when American Rag agreed to sell TOMS and the *LA Times* ran his story in the newspaper. Orders started pouring in. So Blake started the business on a shoestring budget by using his apartment and three interns he found through Craigslist.

Blake went back to Argentina to give away free shoes and develop a supply chain of TOMS shoes. Blake believes that success is more than status and money and that it's about contributing to the world and living and working on your own terms. He has personal, professional, and philanthropic success. Today, TOMS gives free shoes to 60 countries.

Blake has expanded his social entrepreneurship mission to include writing a book, *Start Something That Matters*, to inspire others to contribute to the world.¹¹¹ He also expanded his unique One for One business model to include TOMS Eyewear, helping save and restore sight for those in need. TOMS Web site (www.toms.com) includes the Marketplace where people can shop for a variety of other products and contribute to funding education. TOMS has Giving Partners to increase its charity, and it has given millions to nonprofit organizations. To encourage social entrepreneurship, TOMS develops ways to use its platform to support their ventures. In addition, the Start Something That Matters Foundation has begun to help innovators bring their ideas to life.¹¹²

GO TO THE INTERNET: To learn more about Blake Mycoskie and TOMS, visit the Web site (<http://www.toms.com>).

Support your answers to the following questions with specific information from the case and text or with other information you get from the Web or other sources.

1. What do you think Blake Mycoskie's personality traits are for each of the Big Five dimensions?
2. Which of the traits of effective leaders would you say has had the greatest impact on Blake Mycoskie success at TOMS?
3. Which motivation would McClelland say was the major need driving Blake Mycoskie to continue to work so hard despite being worth millions of dollars?
4. Does Blake Mycoskie have an LMP?
5. What type of self-concept does Blake Mycoskie have, and how does it affect his success?
6. Is Blake Mycoskie ethical in business? Which level of moral development is he on?

CUMULATIVE CASE QUESTION

7. Which leadership managerial role(s) played by Blake Mycoskie have an important part in the success of TOMS (Chapter 1)?

CASE EXERCISE AND ROLE-PLAY

Preparation: Think of a business that you would like to start some day and answer these questions, which will help you develop your plan. (1) What would be your company's name? (2) What would be its mission (purpose or reason for being)? (3) What would your major products and/or services be? (4) Who would be your major competitors? (5) What would be your competitive advantage? (What makes you different from your competitors? Why would anyone buy your product or service rather than the competition's?) (6) As Blake would say, what is your story?

Your instructor may elect to let you break into groups to develop a group business idea. If you do a group business, select one leader with a thick skin who can handle a "Blake" meeting to present the proposal to the entire class. An alternative is to have a student(s) who has an actual business idea/project/proposal of any type present it for feedback.

Role-Play "Blake" Meeting: One person (representing oneself or a group) may give the business proposal idea to the entire class; or break into groups of five or six and, one at a time, deliver proposals. The members of the class that listen play the role of Blake at the "Blake" meeting, or they challenge presenters and offer suggestions for improvement.

VIDEO CASE

“P.F.” Chang’s Serves Its Workers Well

P.F. Chang’s has over 120 full-service, casual dining Asian bistros and contemporary Chinese diners across the country, and its employees have the authority to make decisions that benefit customers. Giving employees the freedom to make decisions has had a huge impact on their attitudes and performance. Managers at P.F. Chang’s receive extensive training on how to create and nurture a positive attitude among their employees, and all workers receive an

employee handbook, which clearly spells out exactly what is expected of them.

1. In what ways does P.F. Chang’s create organizational commitment among its workers?
2. How might a manager at P.F. Chang’s use the Big Five personality factors to assess whether a candidate for a position on the wait staff would be suitable?

Developing Your Leadership Skills 2-1

Improving Attitudes and Personality Traits

Preparing for This Exercise

You should have read and now understand attitudes and personality traits. Effective leaders know themselves and work to maximize their strengths and minimize their weaknesses. As the name of this exercise implies, you can improve your attitudes and personality traits through this exercise by following these steps.

- 1 **Identify strengths and weaknesses.** Review the six self-assessment exercises in this chapter. List your three major strengths and areas that can be improved:

We don’t always see ourselves as others do. Research has shown that many people are not accurate in describing their own personalities, and that others can describe them more objectively. Before going on with this exercise, you may want to ask someone you know well to complete your personality profile (see Self-Assessment 2-1 on page 32), rate your attitude as positive or negative, and list your strengths and areas for improvement.

- 2 **Develop a plan for improving.** Start with your Number One area to improve on. Write down specific things that you can do to improve. List specific times, dates, and places that you will implement your plans. You may want to review the 11 tips for developing a more positive attitude and self-concept for ideas.

- 3 **Work on other areas for improvement.** After you see improvement in your first area, develop a new plan for your second area, and proceed through the steps again.

Optional Way to Improve: If you have a negative attitude toward yourself or others—or you would like to improve your behavior with others (family, coworkers), things, or issues (disliking school or work)—try following the internationally known motivational speaker and trainer Zig Ziglar’s system.¹¹³ Thousands of people have used this system successfully. This system can also be used for changing personality traits as well.

Here are the steps to follow, with an example plan for a person who has a negative self-concept and also wants to be more sensitive to others. Use this example as a guide for developing your own plan.

- 1 **Self-concept.** Write down everything you like about yourself. List all your strengths. Then go on and list all your weaknesses. Get a good friend to help you.
- 2 **Make a clean new list, and using positive affirmations, write all your strengths.** Example: “I am sensitive to others’ needs.”
- 3 **On another sheet of paper, again using positive affirmations, list all your weaknesses.** For example, don’t write “I need to lose weight.” Write “I am a slim (whatever you realistically can weigh in 30 days) pounds.” Don’t write “I have to stop criticizing myself.” Write “I positively praise myself often, every day.” Write “I have good communications skills,” not “I am a weak communicator.” The following list gives example affirmations for improving sensitivity to others. Note the repetition; you can use a thesaurus to help.

I am sensitive to others.

My behavior with others conveys my warmth for them. I convey my concern for others.

My behavior conveys kindness toward others.

My behavior helps others build their self-esteem. People find me easy to talk to.

I give others my full attention. I patiently listen to others talk.

I answer others slowly and in a polite manner.

I answer questions and make comments with useful information.

My comments to others help them feel good about themselves.

I compliment others regularly.

- 4 Practice.** Every morning and night for at least the next 30 days, look at yourself in the mirror and read your list of positive affirmations. Be sure to look at yourself between each affirmation as you read. Or, record the list on a tape recorder and listen to it while looking at yourself in the mirror. If you are really motivated, you can repeat this step at other times of the day. Start with your areas for improvement. If it takes five minutes or more, don't bother with the list of your strengths. Or stop at five minutes; this exercise is effective in short sessions. Although miracles won't happen overnight, you may become more aware of your behavior in the first week. In the second or third week, you may become aware of yourself using new behavior successfully. You may still see some negatives, but the number will decrease in time as the positive increases. Psychological research has shown that if a person hears something believable repeated for 30 days, he or she will tend to believe it. Ziglar says that you cannot consistently perform in a manner that is inconsistent with the way you see yourself. So, as you listen to your positive affirmations, you will believe them, and you will behave in a manner that is consistent with your belief. Put simply, your behavior will change with your thoughts without a lot of hard work. For example, if you listen to the affirmation, "I am an honest person" (not, "I have to stop lying"), in time—without having to work at it—you will tell the truth. At first you may feel uncomfortable reading or listening to positive affirmations that you don't really believe you have. But keep looking at yourself in the mirror and reading or listening, and with time you will feel comfortable and believe it and live it.

Are you thinking you don't need to improve, or that this method will not work? Yes, this system often does work. Zig Ziglar has trained thousands of satisfied people. One of this book's authors tried the system himself, and within two or three weeks, he could see improvement in his behavior. The question isn't will the system work for you, but rather will you work the system to improve?

- 5** *When you slip, and we all do, don't get down on yourself.* In the sensitivity-to-others example, if you are rude to

someone and catch yourself, apologize and change to a positive tone. Effective leaders admit when they are wrong and apologize. If you have a hard time admitting you are wrong and saying you are sorry, at least be obviously nice so that the other person realizes you are saying you are sorry indirectly. Then forget about it and keep trying. Focus on your successes, not your slips. Don't let ten good discussions be ruined by one insensitive comment. If you were an MLB player and got nine out of ten hits, you'd be the best in the world.

- 6** *Set another goal.* After 30 days, select a new topic, such as developing a positive attitude toward work, school, or trying a specific leadership style that you want to develop. You can also include more than one area to work on.

Doing This Exercise in Class

Objective

To develop your skill at improving your attitudes and personality traits. As a leader, you can also use this skill to help your followers improve.

AACSB General Skills Area

The primary AACSB skills developed through this exercise are analytic and reflective thinking skills and application of knowledge.

Preparation You should have identified at least one area for improvement and developed a plan to improve.

Procedure 1 (1–2 minutes) Break into groups of two or preferably three; be sure the others in your group are people you feel comfortable sharing with.

Procedure 2 (4–6 minutes) Have one of the group members volunteer to go first. The first volunteer states the attitude or personality trait they want to work on and describes the plan. The other group members give feedback on how to improve the plan. Try to give other plan ideas that can be helpful and/or provide some specific help. You can also make an agreement to ask each other how you are progressing at set class intervals. Don't change roles until you're asked to do so.

Procedure 3 (4–6 minutes) A second group member volunteers to go next. Follow the same procedure as above.

Procedure 4 (4–6 minutes) The third group member goes last. Follow the same procedure as above.

Conclusion

The instructor may lead a class discussion and/or make concluding remarks.

Apply It (2–4 minutes) What did I learn from this exercise? Will I really try to improve my attitude and personality by implementing my plan?

Sharing

In the group, or to the entire class, volunteers may give their answers to the "Apply It" questions.

Developing Your Leadership Skills 2-2

Personality Perceptions

Preparing for This Exercise

Read the section on “Personality Traits and Leadership,” and complete Self-Assessment 2-1 on page 32. From that exercise, rank yourself below from the highest score (1) to lowest (5) for each of the Big Five traits. Do not tell anyone your ranking until asked to do so.

- surgency
- openness to experience
- conscientiousness
- adjustment
- agreeableness

Doing This Exercise in Class

Objective

To develop your skill at perceiving personality traits of other people. With this skill, you can better understand and predict people's behavior, which is helpful to leaders in influencing followers.

AACSB General Skills Area

The primary AACSB skills developed through this exercise are analytic and reflective thinking skills and application of knowledge.

Procedure 1 (2–4 minutes) Break into groups of three. This group should be with people you know the best in the class. You may need some groups of two. If you don't know people in the class, and you did Skill-Development Exercise 1 in Chapter 1, “Getting to Know You by Name,” get in a group with those people.

Procedure 2 (4–6 minutes) Each person in the group writes down their perception of each of the other two group members. Simply rank which trait you believe to be the highest and lowest (put the Big Five dimension name on the line) for each person. Write a short reason for your perception, including some behavior you observed that leads you to your perception.

Name _____ Highest personality score _____
 _____ Lowest score _____

Reason for ranking _____

Name _____ Highest personality score _____
 _____ Lowest score _____

Reason for ranking _____

Procedure 3 (4–6 minutes) One of the group members volunteers to go first to hear the other group members' perceptions.

- 1 One person tells the volunteer which Big Five dimension he or she selected as the person's highest and lowest score, and why these dimensions were selected. Do not discuss this information yet.
- 2 The other person also tells the volunteer the same information.
- 3 The volunteer gives the two others his or her actual highest and lowest scores. The three group members discuss the accuracy of the perceptions.

Procedure 4 (4–6 minutes) A second group member volunteers to go next to receive perceptions. Follow the same procedure as above.

Procedure 5 (4–6 minutes) The third group member goes last. Follow the same procedure as above.

Conclusion The instructor may lead a class discussion and/or make concluding remarks.

Apply It (2–4 minutes) What did I learn from this exercise? How will I use this knowledge in the future?

Sharing

In the group, or to the entire class, volunteers may give their answers to the “Apply It” questions.

Developing Your Leadership Skills 2-3

Ethics and Whistle-blowing

Preparing for This Exercise

Now that you have completed Self-Assessment 2-6 on pages 50–51 regarding ethical behavior, answer the discussion questions based on that assessment.

Discussion Questions

- 1 For the “College” section, items 1–3, who is harmed and who benefits from these unethical behaviors?
- 2 For the “Workplace” section, items 4–24, select the three items (circle their numbers) you consider the most seriously unethical behavior. Who is harmed and who benefits by these unethical behaviors?
- 3 If you observed unethical behavior but didn't report it, why didn't you report the behavior? If you did blow the whistle, why did you report the unethical behavior? What was the result?

- 4 As a manager, it is your responsibility to uphold ethical behavior. If you know employees are using any of these unethical behaviors, will you take action to enforce compliance with ethical standards?

Doing This Exercise in Class

Objective

To better understand ethics and whistle-blowing, and decide what you will do about unethical behavior.

AACSB General Skills Area

The primary AACSB skills developed through this exercise are ethical understanding, analytic and reflective thinking skills, and application of knowledge.

Preparation

You should have completed the preparation for this exercise.

Experience

You will share your answers to the preparation questions but are not requested to share your ethics score.

Procedure 1 (5–10 minutes) The instructor writes the numbers 1–24 on the board. For each statement, students first raise their hands if they have observed this behavior; then if they have

reported the behavior. The instructor writes the numbers on the board. (Note: Procedure 1 and Procedure 2A can be combined.)

Procedure 2 (10–20 minutes) Option A: As the instructor takes a count of the students who have observed and reported unethical behavior, he or she leads a discussion on the statements.

Option B: Break into groups of four to six, and share your answers to the four discussion questions at the end of the preparation part of this exercise. The groups may be asked to report the general consensus of the group to the entire class. If so, select a spokesperson before the discussion begins.

Option C: The instructor leads a class discussion on the four discussion questions at the end of the preparation part of this exercise.

Conclusion

The instructor may make concluding remarks.

Apply It (2–4 minutes) What did I learn from this exercise? How will I use this knowledge in the future to be ethical? When will I use a simple guide to ethics?

Sharing

Volunteers may give their answers to the “Apply It” questions.

Endnotes

- 1 DuPont Web site (www.dupont.com), accessed November 7, 2013.
- 2 DuPont Web site (www.dupont.com), accessed November 7, 2013.
- 3 “Largest U.S. Corporations—Fortune 500,” *Fortune* (May 20, 2013): 1–20.
- 4 “Global 500,” *Fortune* (July 22, 2013): F1–F7.
- 5 “The World’s Most Admired Companies,” *Fortune* (March 18, 2013): 137–147.
- 6 G. Colvin, “Ignore These Leadership Lessons at Your Peril,” *Fortune* (October 28, 2013): 85.
- 7 H. C. Vough, M. T. Cardador, J. S. Bendar, E. Dane, and M. G. Pratt, “What Clients Don’t Get about My Profession: A Model of Perceived Role-Based Image Discrepancies,” *Academy of Management Journal* 56(4) (2013): 1050–1080.
- 8 B. Schyns, T. Kiefer, R. Kerschreiter, and A. Tymon, “Teaching Implicit Leadership Theories to Develop Leaders and Leadership: How and Why It Can Make a Difference,” *Academy of Management Learning & Education* 10(3) (2012): 397–408.
- 9 J. Antonakis, M. Fenley, and S. Liechti, “Can Charisma Be Taught? Tests of Two Interventions,” *Academy of Management Learning & Education* 10(3) (2011): 374–396.
- 10 M. R. Barrick, M. K. Mount, and N. Li, “The Theory of Purposeful Work Behavior: The Role of Personality, Higher-Order Goals, and Job Characteristics,” *Academy of Management Review* 38(1) (2013): 132–153.
- 11 J. Antonakis, M. Fenley, and S. Liechti, “Can Charisma Be Taught? Tests of Two Interventions,” *Academy of Management Learning & Education* 10(3) (2011): 374–396.
- 12 G. Yukl, “Effective Leadership Behavior: What We Know and What Questions Need More Attention,” *Academy of Management Perspectives* 26(4) (2011): 66–85.
- 13 J. Antonakis, M. Fenley, and S. Liechti, “Can Charisma Be Taught? Tests of Two Interventions,” *Academy of Management Learning & Education* 10(3) (2011): 374–396.
- 14 J. Antonakis, M. Fenley, and S. Liechti, “Can Charisma Be Taught? Tests of Two Interventions,” *Academy of Management Learning & Education* 10(3) (2011): 374–396.
- 15 C. Bendersky and N. P. Shah, “The Downfall of Extraverts and Rise of Neurotics: The Dynamic Process of Status Allocation in Task Groups,” *Academy of Management Journal* 56(2) (2013): 387–406.
- 16 T. A. Judge, R. Ilies, J. E. Bono, and M. W. Gerhardt, “Personality and Leadership: A Qualitative and Quantitative Review,” *Journal of Applied Psychology* 87(4) (2002): 765–768.