



Juan Ocampo/National Basketball Association/Getty Images

People make the difference.

Curious observers of everyday life often consider questions such as: Why are some people motivated and successful in what they do, while others struggle? Why are some people fulfilled and satisfied with their jobs, while others are not? Why do some teams consistently demonstrate cooperation and cohesion, while other teams disagree and flounder? Why are some managers and leaders especially effective at encouraging great performance, while other leaders fail to exert meaningful influence? What explains why a smart and motivated person is successful in one job, but fails in another?

Answers to these questions, and many others, can be found in the field of organizational behavior (OB), which seeks to understand, explain, and predict how people act and interact with others in organizational systems.

In this book, we bridge the gap between OB as a body of knowledge and OB as a pathway to career and life success. This book is about people, everyday people like you and like us, who work and pursue careers in today's demanding settings. OB is about people who seek fulfillment in their lives and jobs in a variety of ways and in uncertain times. OB is about the challenges of leadership, ethics, globalization, technology, diversity, work-life balance, and many other social issues. And it is about how our complex, ever-changing environment requires people and organizations to continuously adapt and improve in the quest for promising futures.

This chapter sets the foundation for our examination of individuals and teams in the workplace. We first describe organizational behavior as a field of study, highlighting the importance and broad application of its topics and principles. We then encourage critical thinking about human behavior, introducing scientific evidence that explains why people do what they do at work. Lastly, we describe ethics in the workplace and explain how to integrate ethical perspectives into your decision-making.

Introduction to Organizational Behavior

LEARNING OBJECTIVES

At the end of this chapter, students will be able to:

- **Define** organizational behavior and its importance in the modern workplace.
- **Apply** critical thinking standards to human behavior.
- **Explain** how principled decision frameworks are used to make ethical choices.

WHAT'S INSIDE?

- Be a Critical Thinker: Paradoxical Proverbs
- Checking Ethics in OB: The Trolley Problem: Would You Kill One Person to Save Five?
- OB at Work: Studying OB Can Help You Succeed in Your Career
- OB in the World: Work from Anywhere
- Research Insights: Do You Think You Have What It Takes to Be the Boss?
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1.1 Organizational Behavior

LEARNING OBJECTIVES

At the end of this module, students will be able to:

- **Define** the essential nature of organizational behavior.
 - **Explain** the importance of understanding human behavior in organizations.
 - **Describe** how trends in the world are changing the nature of work.
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Do you ever wonder how people feel about their jobs? Try this exercise. Ask people you meet a simple, unqualified question, “How are things at work?” More often than not, the answer will have something to do with people. In our experience, responses to that question rarely refer to economic conditions, public policies, or the company’s ability to deliver above market-average returns on the use of its assets! Instead, the most common reference points for the evaluation of work are relationships with coworkers, the work itself, an organization’s culture, or how well a person or team is performing.

Even though we are in an information age that draws heavily on technology and smart devices, most organizational functioning still involves people interacting with other people. Sure, many business transactions are now conducted digitally but individuals in networks, teams, or departments remain the building blocks of organizations. Whether you are talking about accountants, lawyers, musicians, carpenters, engineers, software developers, or writers, people vary in how they perform and in how satisfied they are in their work. The systematic study of organizational behavior helps us understand why.

What Is Organizational Behavior?

Organizational behavior (OB) is the study of human behavior in organizations. It focuses on individuals, teams, interpersonal processes, and organizational structures. OB is an interdisciplinary body of knowledge with strong ties to the behavioral and social sciences—psychology, sociology, anthropology, economics and political science. What makes OB unique is its potential to integrate insights from related disciplines and apply them to real-world organizational problems and opportunities. The ultimate goal of learning about OB is to improve the productivity of organizations and enhance the quality of work life for the people working within them. For you, a strong understanding of OB will provide the skills you need to interact effectively with others and have a successful career. Because you are learning about behavior, you will no doubt sharpen your life skills as well.

Why Is Organizational Behavior Important?

The topics studied in organizational behavior include personality, motivation, organizational culture, ethics, teamwork, leadership, power, communication, negotiations, and decision making. These are critically important for long-term career and life success. Learning about OB will provide foundational knowledge about human behavior and prepare you to adapt and thrive in a dynamic and complex workplace.

Trends in the Workplace It is clear that the world is changing all around us. The availability of globally accessible information networks and the interconnectedness of nations and supply chains has made the world smaller. In the modern workplace, you are likely to hear about the importance of *networking*, *connecting*, *ideating*, *collaborating*, *linking*, *supporting*, *seeking*, and *innovating*. These and other similar behaviors drive communities of action where people share knowledge and skills with others to tackle complex problems with shifting priorities.¹

OB at Work

Studying OB Can Help You Succeed in Your Career



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Studying OB can lead to a rewarding and lucrative career in many different industries. An understanding of human behavior in organizations provides fundamental and essential skills for success including how to inspire, motivate, and manage a diverse workforce. Here are brief descriptions of a few jobs where the study of organizational behavior can be a real asset. We've included estimates of the salaries you can hope to earn in each:²

Human Resources

Concepts in organizational behavior are relevant when learning about human resource management, communications, career development, and employee motivation. These studies dovetail with course requirements for a major in management. Understanding employee needs and the skills necessary for meeting organizational goals are essential elements employers look for in human resources (HR) professionals. HR managers earn a median annual salary of \$126,230 per year, according to a 2021 report by the U.S. Bureau of Labor Statistics.³

Training and Development

Because organizational behavior graduates are trained to motivate and empower others in the workplace, they understand the needs of adult learners and can balance their needs with the goals of management. Employees serve as corporate trainers, adult educators, lecturers, motivational speakers, program developers, or instructional designers. Opportunities abound for careers in organizational development and in-house and consulting positions. Training and development managers earn a median annual salary of \$120,130 per year, according to a 2021 report by the U.S. Bureau of Labor Statistics.⁴

Employee Relations Management

Employee relations management is a promising career option for those who study organizational behavior. Similar to HR managers, employee relations managers, or people officers, focus on solving problems between staff members. They are responsible for a large variety of tasks including motivating individual employees and teams, implementing employee benefit programs, investigating complaints of discrimination and harassment, and making recommendations to resolve complaints. Employee relations managers earn a median annual salary of \$114,657 in 2021.

Management Consulting

Management consultants are often hired by companies to analyze their operations, identify opportunities for improvement, and recommend changes that can enhance a company's efficiency, quality, and revenue. Increased global competition is expected to lead companies to demand more of these services in the future. Having a master's degree can be especially helpful here. Salaries can vary widely based on experience and industry with hourly rates that exceed \$44 per hour and mean salaries of \$93,000 according to the U.S. Bureau of Labor Statistics.⁵

Do the Analysis

Which if any of these fields would you be interested in working in? Is salary the main factor in this decision? What other factors would you consider?

Success in your career and throughout life requires ongoing learning and continuous attention to relevant trends, best practices, and emerging opportunities. What people need, want, expect, and value at work are of special interest in the study of OB.⁶

Here are several critical trends in the modern workplace:

- **Focus on a good life.** In recent years, there has been a renewed interest in work–life balance. Unlike the recent past, individual and personal identity are less tied to salary, status, or job title, and more focused on how work can allow individuals to have fulfilling lives.
- **Diversity, equity, and inclusion (DEI).** The modern workplace is more diverse than ever. This is requiring each person to acknowledge and appreciate individual differences while embracing diverse perspectives to generate better outcomes.

- **Remote and hybrid work.** The COVID-19 pandemic forced many of us to work from home. Remote work is becoming more common and acceptable in today's workplace, embedding changes in "where" people work.
- **Importance of connections and networks.** Work is increasingly being done through personal connections and networks. As such, building effective relationships face-to-face and online is an essential career skill.
- **Commitment to transparency and ethics.** Highly publicized scandals and more complex business environments are continuing to shine a spotlight on the importance of ethical practices. More and more businesses are now committed to **environmental, social, and governance goals (ESG)**, not just bottom-line profit.
- **New demands on leaders and managers.** The ability to work remotely, **interest in sustainability** and **social justice**, and less concern for traditional indicators of successful career progression are placing new demands on today's managers. Leadership is valued from all members of a work group. Input and influence flows in all directions and from all levels of the organization—not just from the top down.

OB in the World

Work from Anywhere



Blue Jean Images/Alamy Stock Photo

Until the COVID-19 pandemic dramatically altered where, how, and when people do their work, many professional positions required attendance at office buildings filled with desks, cubicles, filing cabinets, conference rooms, dress codes, and water coolers. Being physically co-located with colleagues was good for fostering collaboration, encouraging interaction, holding people accountable, developing work norms, and anchoring company culture. For most white collar, professional jobs, work in an office setting had become a common norm and expectation.

The pandemic forced a dramatic and immediate shift in where, how, and when many students and business professionals did their work. Technology developments, such as virtual platforms that enable collaboration with video conferencing and simultaneous document editing, created efficiency and business continuity, and allowed most work to continue without interruption. Some studies even described gains in productivity.⁷

There had been an assumption that when the pandemic subsided, work life would return to normal and people would resume commuting to their office buildings and job sites. However, more and more companies are allowing employees to work remotely. Some are even offering a "work from anywhere" option as a way to attract top talent.⁸ Pricewaterhouse Coopers, (PwC), for example, announced that 40,000 client-facing employees would have an option to work remotely from a continental U.S. location of their choice. Other companies, such as Airbnb, Zillow and Dropbox, are doing similar things.⁹

As recent reports suggest, companies are beginning to recognize that remote work is becoming an expectation of the modern workforce. Employees will surely seek remote work when considering new positions. Companies that support remote work can recruit the best talent wherever it exists—not just in locations where offices are physically located.

The Question Is:

How will the new realities of where, when, and how people work affect the way people interact at work? How can companies establish and maintain culture in a remote and hybrid world?

How Do We Learn About Organizational Behavior?

Today's workplaces put a premium on continuous learning. Only those who embrace change and are committed to personal learning and growth will be able to keep pace in a high-tech, interconnected and constantly changing environment. But in terms of learning, what are we talking about?

Think of learning as an enduring change of behavior that results from experience. Life-long learning requires continually gaining insights from day-to-day experiences. When it comes to OB, this book and your course are starting points for doing this and making your life and work experiences more meaningful. There is a rich and ever-expanding pool of experiences available to you from work events and activities, conversations with colleagues and friends, training seminars and workshops, and counseling and advice provided by mentors and coaches. What you learn from all such experiences—now and in the future—will in many ways be the key to personal and career success. **Figure 1.1** shows how the content and activities of the typical OB course fit together in an experiential learning cycle.¹⁰ The developmental sequence begins with initial experience and subsequent reflection. It grows as theory building takes place to try to explain what has happened. Theory is then tested through experimentation. Textbooks, readings, class discussions, and other course assignments and activities should help you develop a broad understanding of key concepts.

The experiential learning process also assigns a substantial responsibility for learning to you. Your instructor and this text will offer examples, cases, and exercises to provide you with initial exposure to key concepts. We can even stimulate your reflection and theory building by presenting ideas and situations, encouraging research and discussion on practical implications. But ultimately, your learning is up to you. To fully grasp the benefits of OB, you must become an active participant in the learning process. The nice thing about this topic is that opportunities to learn more about OB are everywhere in life. Every team project, work experience, extracurricular activity, or shopping excursion is rich in lessons on OB. Even our leisure pastimes from sports to social interactions to television, movies, and online games offer valuable insights, but only if we tune in.

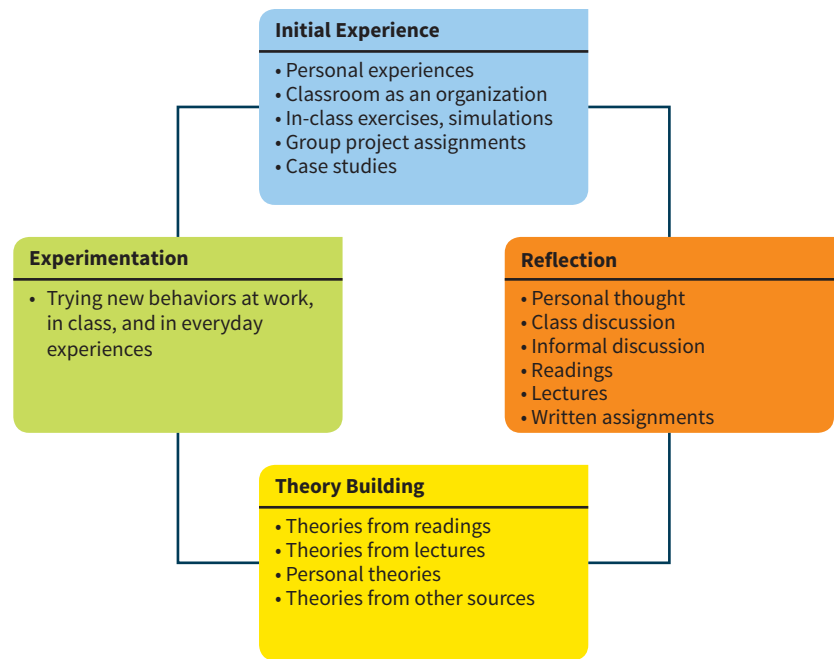


FIGURE 1.1 Experiential learning in an OB course

1.1 Study Guide

What is organizational behavior, and why is it important?

- Organizational behavior (OB) is the study of human behavior in organizations, focusing on individuals, teams, interpersonal processes, and organizational dynamics.
- OB is a body of knowledge with real applications to everyday living and careers, particularly in respect to a smart workforce where connections and collaboration are the keys to success.
- Trends and issues of interest in OB include ethical behavior, the importance of human capital, an emphasis on teams, the growing influence of information technology, new workforce expectations, changing notions of careers, and concerns for sustainability.
- OB is an applied discipline developed through scientific methods.

How do we learn about organizational behavior?

- Learning is an enduring change in behavior that results from experience.
- Lifelong learning about organizational behavior requires a commitment to continuously applying work and everyday experiences to enhance the understanding of human nature.
- Most organizational behavior courses use a variety of instructional methods—self-assessments, experiential exercises, team projects, and case studies—to take advantage of the experiential learning cycle.

1.2 Critical Thinking

LEARNING OBJECTIVES

At the end of this module, students will be able to:

- **Describe** organizational behavior as a science.
- **Define** the fundamentals of critical thinking.
- **Apply** a systematic, critical approach to understanding behavior in organizations.

In the landscape of courses or topics taught on college campuses, organizational behavior is considered to be one of the softer subjects. Unlike our counterparts in accounting, finance, operations, engineering, or economics, we are not calculating prescribed formulas to derive precise answers to problems with a single correct solution. Instead, we are trying to understand, explain, and predict human behavior in the context of dynamic forces that vary from organization to organization and from person to person—something that is largely unpredictable! To describe the field of organizational behavior, our colleagues in the hard sciences occasionally offer a pejorative jibe: “OB: it’s not rocket science!” We agree. OB is not rocket science; it’s much more complicated. In rocket science, at least engineers know that if fuel is heated to a particular temperature, enough combustible energy will be released to launch a stationary rocket. Though tracking the orbit of a rocket in space requires a great deal of careful and precise estimation, at least the spacecraft adheres to the fundamental laws of motion. Human behavior is not defined by such dependable properties. Whereas one person at work is motivated by financial incentives, another prefers vacation time. While one person is loyal and obedient to a supervisor who is demanding, directive, and harsh, another rebels against such a leader.

Although there are clear differences *between* people, there are also differences *within* a person. You can probably observe someone in your workplace who is happy and motivated at work one day, but miserable and lazy the next—or happy and motivated in the morning, then miserable in the afternoon.

There are few “hard” laws of nature that explain human behavior. True, we can observe general tendencies and some predictable patterns, but people are extraordinarily complex. Human behavior is like a chaotic system, with a great deal of randomness that is impossible to predict and explain. The good news is that there is a significant body of scientific research that underlies a broad base of knowledge about why people behave as they do.

To learn this topic at the highest level, we encourage you to bring a scientific approach to understanding behavior. Think like a scientist. Be mindful of hard evidence rather than relying only on “common sense.” The biggest problem with common sense? It’s not all that common. Instead, we need to define important problems with clarity and precision and then apply a careful and thoughtful approach to evaluating viable alternative solutions.

What Is the Science of Organizational Behavior?

To determine how people operate in the workplace, OB researchers have conducted thousands of studies trying to isolate explanations for why people do what they do, why teams are productive, and why some organizations outperform others. This science of OB involves making systematic observations in the pursuit of identifying meaningful and insightful patterns. Ultimately, researchers want to observe differences between people and groups, explain those differences, and determine ways to make improvements.

Some examples of questions addressed by OB are:

- How should rewards, such as pay raises, be allocated?
- How can jobs be designed for both job satisfaction and high performance?
- What are the ingredients of successful teamwork?
- How can a manager deal with resistance to change?

- What are the characteristics of effective leaders?
- How can win-win outcomes be achieved in negotiations?
- What causes unethical and socially irresponsible behavior by people in organizations?

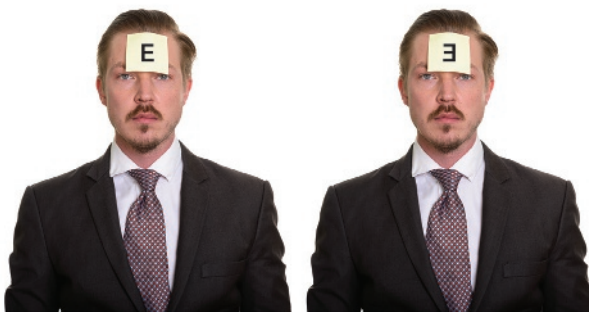
The relevance of science in understanding organizational behavior can start with asking this question: Why do good managers make bad decisions? Too often managers make mistakes when it comes to fostering conditions that inspire positive outcomes in the workplace, such as performance, satisfaction, team cohesion, and ethical behavior. Why does this happen? Part of the reason is that rather than relying on a clearly validated set of scientific discoveries, managers use less reliable sources of insight such as gut feel, intuition, the latest trend, what a highly paid consultant might say, or what is being done in another company.¹¹ Like most of us, managers tend to rely on their own strengths and experiences when making choices about how to get the best from others. But what works for one manager may not work for another. In the absence of a scientific approach, managers tend to make mistakes, offer ill-conceived incentives, misinterpret employee behavior, and fail to account for the many possible explanations for why employees might perform poorly. Like managers in the workplace, we tend to base our judgments and actions on what we know or what we *think* we know. It's fair to ask the question: How do you know what you know? If you have an opinion about something, or are committed to a certain truth in your mind, how did you come to that conclusion?

There are four primary ways people come to know what they know:¹²

- **Intuition.** If we know something without any particular explanation or reason, or because of gut feel, our knowledge is based on intuition.
- **Experience.** If we extrapolate from our experience to a broad set of circumstances, our knowledge comes from personal experience.
- **Authority.** How do we know that smoking causes cancer? Because the American Medical Association tells us so. In this case, our knowledge comes from the authority of experts offering their opinions.
- **Science.** If we know something through accumulation of reliable and valid evidence, then our knowledge is based on science.

Research Insights

Do You Think You Have What It Takes to Be the Boss?



amazimgikael/Deposit Photos

Judging your own capacity to be a successful manager can be tough, and although everyone thinks they have what it takes to be a powerful leader, that is not always the case. Organizational behavior researchers Adam Galinsky and Maurice Schweitzer set out to examine leader readiness by developing

a quick test for judging those who are boss material and those who are not.¹³

The researchers asked subjects to draw a capital “E” on their forehead. There are two options: the letter can be written so it makes sense only to themselves and is reversed for onlookers (like this: Э), or so it would appear the right way around to others (looks like this: E).

The subjects who wrote the letter E so that it made sense only to themselves are said to be *self-oriented*. This tendency increased dramatically the more senior the role a person holds in the workplace. The subjects who drew the E so that other people can read it, meanwhile, are more *other-oriented* and consider multiple perspectives. They are generally not thought of as cutthroat, and not as likely to be in powerful positions.

To verify this, before publishing their book, the authors experimented on their own editorial team. Not surprisingly, they found that the senior editors wrote the E backwards, while the junior editors wrote the E forwards.

Do the Research

Try this on a group of people at school or at work. Do you get the same results?

We encourage a willingness to embrace what science has discovered about why people do what they do in the workplace and to think critically when trying to understand the essential problems and opportunities that drive behavior. That is, we hope students will develop an instinct for critical thinking with a persistent desire for wisdom and understanding about human behavior. Identifying the root causes of behavior is perhaps the most fundamental pursuit of a thoughtful manager. Critical thinking and the scientific method provide a reliable guide in doing so.

What Does It Mean to Think Critically?

“A happy worker is a productive worker.”

“Two heads are better than one.”

“Money is the best motivator.”

These are some of the most common ideas about behavior in the workplace: friendly, simple, and easy to understand insights about the way things work, or *should* work. However, when we cast a critical eye on each of these suggestions, the presumed universal truth of these claims comes into question. Critical thinkers recognize that statements such as these are not true for all people in all situations. Critical thinkers are willing to consider the likelihood that not *all* happy workers are productive—some might be happy but not very skilled at doing their jobs. Critical thinkers recognize that two heads might be better than one in *some* circumstances but not others, and are willing to determine when it’s better to solve a problem alone versus in a team. And while money might be the best motivator for some, critical thinkers understand that money might mean very little to others.

Critical thinking is a systematic and comprehensive process of making objective, unbiased assessments of facts when forming a judgment.

Critical thinking is a systematic and comprehensive process of making objective, unbiased assessments of facts when forming judgments. We think critically by continually challenging our own assumptions while trying to make honest, fair, and rational decisions based on evidence and reason. Critical thought is careful, evidence-based, mindful of context, and free from bias. Without conscientious and intentional effort, thinking can be distorted, partial,

Research Insights

In the Modern Workplace, Critical Thinking > IQ



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In psychology, education, neuroscience, and sociology, academic research points to the importance of raw cognitive ability in predicting job performance, educational achievement, career development, and overall life success.¹⁴ IQ tests are used to make decisions about student applications to college, and many employers now apply IQ tests in assessing job candidates or high potential

employees.¹⁵ Even draft prospects for the National Football League complete the 50-item *Wonderlic Test*, a validated measure of general cognitive ability.¹⁶ However, despite research suggesting that general cognitive ability is the strongest predictor of overall job performance¹⁷ and that IQ has a genetic source,¹⁸ recent research highlights the value of critical thinking in the modern workplace as an “essential responsibility” of any manager in any organization.¹⁹ Critical thinking is a skill that can be developed with training and intentional practice. According to Heather Butler, a clinical psychologist at California State University Dominguez Hills, critical thinking is superior to IQ in predicting real-world decision making, the ability to defend against propaganda, and flexibility in thought.²⁰ Whereas those with high intelligence are adept at identifying the single, correct answer to a problem or case, critical thinkers tend to have more cognitive flexibility, see problems from multiple perspectives, and avoid narrow, outcome-oriented thought patterns. These are especially valuable skills in a wide range of careers such as doctors, attorneys, judges, actuaries, pilots, occupational therapists, engineers, and even fashion designers.²¹

Do the Research

What are the differences between general cognitive ability (i.e., IQ) and critical thinking? What are some of the limitations in the way cognitive ability is typically assessed?

uninformed, or prejudiced. As Richard Paul and Linda Elder suggest, “the quality of our life and that of what we produce, make, or build depends precisely on the quality of our thought.”²² The most effective thinkers regularly and comfortably display four attributes:²³

1. **Intellectual humility.** Individuals who are willing to admit mistakes or errors in judgment and alter their own opinions when new evidence points in a different direction have intellectual humility. These people recognize the limits of their own logic and intellect.
2. **Confidence in reason.** Critical thinkers are willing to go wherever the evidence leads. They are confident that evidence and hard facts are reliable guides to good judgment.
3. **Intellectual curiosity.** Someone who loves exploring new topics, learning new things, and gaining knowledge in any form has an intellectual curiosity consistent with a critical mindset.
4. **Intellectual independence.** Critical thinkers have a willingness to question authority, challenge conventional wisdom, and honestly examine opinions with which they disagree.

Why Is It So Difficult to Think Critically?

Let’s be honest: Thinking critically is difficult. It’s not natural and does not come easily. It takes effort to engage in a meticulous process of critically analyzing the arguments, statements, and recommendations of others, especially those in positions of authority. All of this requires practice. Whether this is because of deeply held beliefs, the demands of the situation, or just because we’re too busy to contemplate and reflect, we’re all prone to common flaws in the way we think about difficult issues.²⁴ Descriptions of decision-making errors are included in chapters throughout this book, but some of the most common flaws in the way people think include:

- **Confirmation bias:** the tendency to search for and interpret information in a way that confirms one’s existing opinions or preconceptions.
- **Dichotomies:** the tendency to see problems and solutions in simplistic terms (e.g., true/false; always/never) rather than with the nuance present in most complex issues.
- **Bandwagon effect:** the tendency to believe things because many other people do. This is related to groupthink and the herd mentality, which occurs when people blindly follow the crowd (i.e., the herd).
- **Selective perception:** the tendency to notice or perceive only certain bits of information.
- **Framing bias:** the tendency to make a decision based on how the problem is framed (e.g., loss/gain, win/lose).

What Are the Steps in the Critical Thinking Process?

Critical thinking is most often revealed in a systematic and prudent process of questioning information and data. You may question the information you read in a textbook; what a politician, a professor, or a classmate says; a commonly held belief; or opinions expressed on your favorite cable news channel. With critical thinking, anything and everything is subject to question and examination for the purpose of logically constructing reasoned arguments.²⁵

According to Linda Elder and Richard Paul, one effective way to enhance the quality of your thought is to ask questions that address “universal intellectual standards.”²⁶ Critical thinkers actively and intentionally pursue these standards by asking questions that advance their understanding of problems, circumstances, and potential solutions. **Figure 1.2** provides a list of universal standards in critical thought, a brief description of when the standard has been met, and several questions that can be asked to understand complex issues.²⁷

For example, if during a class discussion, a classmate declares, “Money is the best motivator,” you have an opportunity to demonstrate your critical thinking skills by asking questions that explore the accuracy of the statement. Listed in **Figure 1.3** are questions that you could ask and the corresponding critical thinking standard.

Intellectual Standard	Description	Critical Thinking Questions
Clarity	Clear and understandable meaning of concepts	What is your definition of the concept? Could you give me an example? Could you illustrate what you mean?
Accuracy	Conclusions are free from errors or distortions	How could we check on that? How could we find out if that is true? How could we verify or test that?
Relevance	Topics and ideas related to the matters at hand	How does that relate to the problem? How does that bear on the question? How does that help us with the issue?
Completeness	Open to various viewpoints and perspectives	Can we look at this from another perspective? Is there another point of view? Do we need to look at this in other ways?
Significance	Focus on the most critical, important concerns	Is this the most important problem to consider? Is this the central idea to focus on? Which of these facts are most important?
Fairness	Conclusions are justified, fair, and free from bias or prejudice	Does anyone have a vested interest in this issue? Are all viewpoints fairly represented? What biases in the conclusion might exist?
Precision	Exact and true information to the necessary level of detail	Could you be more specific? Could you give me more details? Could you be more exact?
Depth	Recognition of context and multiple interrelationships	What is the context? What is the situation? What makes this a difficult problem? What complexities exist?
Logic	The parts make sense together, no contradictions	Does this conclusion make sense? Do all facts make sense together? Do conclusions follow from the evidence?

FIGURE 1.2 Summary of intellectual standards and critical thinking questions

Question	Critical Thinking Standard
What is your definition of motivation?	Clarity
How might we determine if this statement is true?	Accuracy
Why are we even talking about this?	Relevance
For whom would this be true? Who might think differently?	Completeness
Is motivation our most pressing concern?	Significance
Do you have any vested interest in the truth of this statement?	Fairness
How much money are we talking about?	Precision
Under what circumstances would this be false?	Depth
What about people who are motivated without earning money?	Logic

FIGURE 1.3 Critical thinking questions that help determine the validity of the expression “money is the best motivator”

Thinking critically about human behavior is essential for effective management and team leadership. A willingness to explore complexity, pursue clarity, and seek evidence will help you recognize that there is never one best or universal answer to complex questions such as those posed earlier in this chapter. An essential responsibility of any manager is to think carefully and critically about important issues and use evidence-based foundations for decision making and action. Scholars Jeffrey Pfeffer and Robert Sutton define **evidence-based management** as making decisions on “hard facts” (that is, about what really works) rather than on “dangerous half-truths” (what sounds good but lacks empirical substantiation).²⁸ One of the ways evidence-based thinking manifests itself in OB is through a contingency approach in which researchers identify how different situations can best be understood and handled.

In OB, a key critical thinking skill is **contingency thinking**, which means that rather than assuming there is one best or universal solution, answers to questions will depend on other factors. For example, how individuals will respond to work situations will *depend* on their personalities or experiences. How to develop a more motivating workplace will *depend* on the nature of the job and the context in which people work.

Contingency thinking recognizes that cookie-cutter solutions cannot be universally applied to solve organizational problems. Instead, responses must be crafted to best fit the circumstances and people involved. Critical thinking skills, combined with validated scientific findings in organizational behavior, can allow you to make sound logical and evidence-based cases for understanding and explaining OB. The nice thing about having a contingency thinking mindset? When your instructor asks you to explain how something works, you can say, “Well, it depends...” You will almost always be right!

Evidence-based management

means making managerial decisions based on facts rather than on feelings.

Contingency thinking

seeks ways to meet the needs of different management situations.

Be a Critical Thinker

Paradoxical Proverbs



The world is full of clever expressions, slogans, mantras, and statements of universal wisdom such as “Two heads are better than one,” “You can’t teach an old dog new tricks,” and “Absence makes the heart grow fonder.” If we’re not careful—or if we’re not thinking critically—we might be easily duped into ascribing to popcorn sources of insight. If we apply a little intellectual cynicism, however, we begin to see cracks in the foundations on which these morsels of knowledge are built.

Consider the expression, “Money is the best motivator.” The statement is expressed without nuance and is reflective of a dichotomous question such as Yes or No? True or False? Always or Never? It’s the kind of statement that is very clear and decisive: money “is” the best motivator (clarity), rather than money “might be” the best motivator (nuance). Further, money is “the best” motivator (unequivocal), rather than “one of the best” motivators (qualified). Such expressions are meant to convey important and persistent insights that cannot or should not be challenged.

Critical thinkers are adept at altering the questions to be asked and answered. They do so in ways that apply the universal standards described in this chapter. Rather than asking, “Is money the best motivator?,” a critical thinker would instinctively pursue subtlety with more purposeful questions such as: “For whom” is money the best motivator? “When” is money the best motivator? “For how long?” “Under what conditions?” Questions of this kind recognize the complexity of every situation and the likelihood that one man’s wisdom is another man’s folly.

Indeed, for every statement of so-called universal insight, there is an equivalent counter. Consider these paradoxical proverbs:

Point	Counterpoint
Look before you leap.	He who hesitates is lost.
Too many cooks spoil the broth.	Two heads are better than one.
You can’t teach an old dog new tricks.	It’s never too late to learn.
Absence makes the heart grow fonder.	Out of sight, out of mind.
A penny saved is a penny earned.	You can’t take it with you.
The devil is in the detail.	Don’t sweat the small stuff.

Critical thinking is important in the world and the workplace, and employers are increasingly calling for graduates who are equipped with this skill. Therefore, in every chapter of this book, we include a feature that allows you to “Be a Critical Thinker.” You will be encouraged to ask careful questions and be thoughtful in pursuit of the universal standards of critical analysis. You should approach these features with healthy cynicism and skepticism, recognizing that few insights, opinions, claims, or supposed truths are absolute or universal. This is especially the case in OB.

1.2 Study Guide

What is the science of organizational behavior?

- The science of OB involves making systematic observations in the pursuit of identifying meaningful and insightful patterns.
- Science is important in OB because it helps managers avoid making bad decisions based on less reliable sources of insight such as gut feel, intuition, the latest trend, what a highly paid consultant might say, or what is being done in another company.
- Science and critical thinking help identify the root causes of behavior, and are perhaps the most fundamental pursuits of a thoughtful manager.

What does it mean to think critically about human behavior?

- Critical thinkers recognize that statements considered to be common knowledge are not true for all people in all situations. Critical thinking is a systematic and comprehensive process of making objective, unbiased assessments of situations. Critical thought is careful, evidence-based, mindful of context, and free from bias.
- It has four attributes: intellectual humility, confidence in reason, intellectual curiosity, and intellectual independence. It takes effort to engage in a meticulous process of critically analyzing the arguments, statements, and recommendations of others, especially those in positions of authority.
- It is easy to fall back on some common flaws: confirmation bias, dichotomies, the bandwagon effect, and selective perception. Critical thinking is most often revealed through a systematic and prudent process of questioning information and data.
- Critical thinkers actively and intentionally pursue the highest cognitive standards by asking questions that advance our understanding of problems, circumstances, and solutions. The standards are: clarity, accuracy, completeness, significance, precision, depth, and logic.

1.3 Ethics in OB

LEARNING OBJECTIVES

At the end of this module, students will be able to:

- **Understand** what it means to think ethically and know why it matters in OB.
- **Describe** the fundamentals of ethical thinking and reasoning.
- **Know** the importance of personal ethical fit with an organization.

Have you ever been in a situation like the following:

Your coworker asks you to lie for him so he can sneak out of work early and attend his son's soccer game. Would you do it? If not and he went anyway, would you keep silent?²⁹ You are in the bathroom and overhear your boss telling someone that Julia is going to be laid off at the end of the month. Julia is a good friend of yours. Do you tell her?³⁰ You are closing a deal on a new contract and your boss calls you into his office. He tells you he is under a lot of pressure and needs you to include the revenue for your contract in the quarterly report that ends tomorrow. But you know the contract won't be signed until after that. Would you include it?³¹

Ethical challenges, such as those listed above, are common in all aspects of life including the workplace. Most often, doing what's right is not the same as doing what's easy. To be able to build credibility with colleagues, maintain and develop relationships, and exert influence on others, we need to think and act ethically. In this module, we explain what ethics are and how we can be better at it in the workplace and in everyday life. We also address the idea of ethical fit and explain why it matters in our lives and careers.

What Are Ethics?

Ethics are standards of behavior that help us decide how we ought to act in a range of situations.³² They help us to know what people expect of us and how to behave. Professions also have ethics, which represent the standards of behavior for that occupation, industry, or field.³³ The National Education Association, for example, publishes a “code of ethics for educators” that demonstrates their commitment to both students and the profession and specifies expectations for how teachers are to ethically conduct themselves in all aspects of their work (see **Figure 1.4**). In business, **business ethics** are often seen as behavior that follows the norms and standards of business practice as agreed upon by society.

What Ethics Are Not? Ethics can often be confusing and hard to understand or interpret. Many subjects in school are factual and prescriptive, but ethics can be interpreted in different ways by different people. One thing that can help make things clear is to understand what ethics are *not*. According to the Markkula Center for Applied Ethics:³⁴

- **Ethics are not the same as feelings.** We often have gut feelings about how we should act, but we cannot rely on that to tell us whether an action is ethical. Sometimes the right act feels wrong and the wrong act feels right.
- **Ethics are not the same as religion.** Ethics are moral standards that apply to people more generally. Religions can vary in their ethical standards and not everyone adheres to a particular organized religious philosophy. Ethics, on the other hand, apply to all people regardless of their religious affiliation.
- **Ethics do not follow the law.** Just because something is legal does not mean it is ethical, e.g., slavery was legal but not ethical.
- **Ethics do not follow culturally accepted norms.** Standards of practice vary widely across cultures and some of these practices are not ethical. In some cultures, women or certain ethnicities are subjugated in ways that violate their rights to freedom and dignity.
- **Ethics are not science.** There are no clear-cut formulas when it comes to ethics. Ethics involves reasoning; the varied approaches to ethical thinking mean different people will invoke different forms of ethical reasoning. This can often be frustrating because it runs contrary to our rational minds.; We cannot say that one ethical conclusion or stance is factually more correct than another.

Morality vs. Ethics People often ask, “What is the difference between ethics and morality?” The simple answer is **morality** is defined as broad expectations for societal behavior regarding what is right and wrong, whereas ethics represent particular standards of behavior for a specific group. Morals are what allow people to live cooperatively in society. The idea underlying morals is that if everyone followed universal moral principles such as, “always tell the truth,” “keep promises,” “do not cheat,” and “respect property,” the world would be a better place.

In contrast to morals, which are more broadly accepted, opinions about ethics vary more widely. See what happens when you ask your teacher and classmates to discuss a current ethical issue in business (e.g., CEO pay). Then ask about a moral issue (e.g., “respect others’ property”). Chances are you will see a wider range of views about the ethical issue than the moral one.

Given this variation, how do we know what is ethical? Fortunately, philosophers have devoted significant thought to this question across thousands of years and have come up with some answers. These are provided in a set of moral theories that are often used to help guide ethical reasoning.

Code of Ethics for Educators

Commitment to the Student	Commitment to the Profession
• Stimulate inquiry • Encourage acquisition of knowledge and understanding • Provide for independent action, exposure to various points of view • Protect students from embarrassment or unjust treatment	• Recognize the direct influence education has on our nation • Raise professional standards • Exercise professional judgment • Create a climate that attracts the best and brightest to education

FIGURE 1.4 Code of ethics for educators

Adopted from NEA 1975 Representative Assembly

Ethics are defined as standards of behavior that help us decide how we ought to act in a range of situations.

Business ethics are behavior that is consistent with the principles, norms and standards of business practice that have been agreed upon by society.

Morality is defined as broad expectations for societal behavior regarding what is right and wrong.

A Framework for Ethical Decision Making

“That’s just wrong!” “I would *never* do that!” Most of us make ethical judgments with instinct and emotion based on a gut reaction to an ethically charged situation. We draw upon our personal experiences, family, culture, religious training, and beliefs about what morality means.³⁵ The problem is that acting based on personal instinct could be lacking objective, grounded, and rational analysis.

Ethical frameworks provide a way to mentally process dilemmas and generate ethically informed and morally defensible decisions. Ethical frameworks, as outlined in ethical decision making, identify key themes and questions to consider as we make ethical choices.³⁶

Ethical Decision-Making Model An ethical decision-making model starts with recognizing an ethical issue. While this may sound easy, it often is not. It means having to recognize when a situation involves an **ethical dilemma**, a situation that requires a person to violate or compromise ethical standards.³⁷ Ethical dilemmas can involve:

- A difficult choice between two courses of action, either of which entails violating a moral principle, e.g., laying off a longtime employee or letting a company continue to fail.
- A choice between benefiting oneself while harming another, e.g., taking credit for another’s work.
- A choice between two rights, e.g., deciding which unit will benefit when a merger creates overlapping departments.

To understand whether we are facing an ethical dilemma we could ask: Would the decision cause harm? Is there an ethical code violation? Alternatively, is this a legal issue?

Remember that just because something is legal that does not make it ethical. Some legal precedents violate ethics such as in the case of legalized harmful treatment to others (i.e., structural biases that discriminate) or laws that allow pollution and harm the climate. Here we can also consider *who* is affected by the decision and *how* they are affected. To help with this, we can conduct a **stakeholder analysis**: identifying and considering who has a *stake* in the outcome or impact of a decision. An easy way to do stakeholder analysis is to complete a form like that in **Figure 1.5**.

Ethical Reasoning Approaches Once a dilemma is identified, ethical thinking involves using ethical reasoning. For this, we can adopt ethical reasoning frameworks based on **moral theory**—logical reasoning approaches that help determine whether a decision is ethically *right* and should be pursued, ethically *wrong* and should not be taken, or *permissible*, meaning it could, but does not have to, be followed. The most common moral theories used in ethical reasoning are provided in **Figure 1.6**.

Ethical dilemma is a situation that requires a person to violate or compromise ethical standards.

Stakeholder analysis involves identifying who is impacted by a decision.

Moral theory is logical reasoning approaches that determine whether a decision is ethically right, ethically wrong, or permissible.

Stakeholder: Who is affected (i.e., who has a stake)?	Impact: How are stakeholders affected? What is the impact?	Relative Stake: Do the concerns of this stakeholder take precedence over others? If so, why?	Relative Harm: Is this stakeholder harmed more than others? Is the harm justifiable?
1.			
2.			
3.			

FIGURE 1.5 Ethical dilemma: Stakeholder analysis

Moral Theory & Ethical Reasoning Question	Focus	Approach	Principle	Example 1	Example 2
Consequentialism: How ethical is the consequence of my action?	Outcome of an action	The Utilitarian Approach	The Greatest Happiness Principle: The greatest good (or least harm) for the greatest number	What is the consequence of the lie? Who will benefit and who will be harmed?	Who is harmed (and to what extent) by the defective product? Who is benefited (and to what extent) by the sale? What are the overall consequences of making/not making the sale?
Deontology (Duty): Does the action fulfill my duty and respect the rights of others?	Morality of the action itself (and the intent)	The Rights Approach	Kantian (Duty-Based) Ethics Do what fulfills one's duty, regardless of consequence	What is your duty around honesty (e.g., does a doctor have a duty to be honest with a patient? Does a manager have a duty to be honest with a subordinate?)	What is your duty to the customer? To yourself and/or your family? To your organization?
		and The Fairness or Justice Approach	Categorical Imperative (Universal Law) Act as you would want all other people to act (as if it were a universal law)	What if everyone lied?	What if everyone sold defective products to save their jobs?
			Justice Principle/ Golden Rule Everyone has rights and others have a duty to fulfill these rights by treating people with dignity, and in a fair and just way (as we would like to be treated ourselves)	Does the other person have a right to be told the truth? Does the lie violate fair treatment?	Does making the sale violate the customer's rights? Does it contribute to unfairness (e.g., are some getting better/worse products than others based on favoritism/bias)?
Communitarianism: Does the action respect the community and its norms?	Responsibilities and duties as citizens	The Common Good Approach	Community Principle: Fulfill one's role in society and respect obligations to fellow community members	How will the lie affect the sense of community (e.g., will it lead to a lack of trust among community members? Will it diminish community morale?)	How will making the sale affect the integrity and reputation of the company? The industry?
Virtue Ethics: Am I meeting my commitments and those of my company?	The actor's moral character	The Virtue Approach	Virtue Principle: Do what a virtuous person would do	Does telling the lie violate my own values and sense of personal virtue? Does it violate the values and virtues others hold of me?	Does making a defective sale violate your sense of personal integrity? Does losing your job in this way violate your family values?

FIGURE 1.6 Ethical reasoning approaches

Consequentialism is an ethical approach that determines whether something is right or wrong based on its consequences.

Utilitarianism is the focus on the greatest good for the greatest number of people.

Hedonism is the ethical theory idea that people seek pleasure is the highest good and proper aim of human life.

Deontology says that the rightness or wrongness of actions depends on whether they fulfill one's duty.

The Categorical Imperative states that one should act according to the maxim that you would wish all other rational people to follow, as if it were a universal law.

Consequentialism: The Utilitarian Approach **Consequentialism** is an ethical approach that determines whether something is right or wrong based on its consequences.³⁸ As an example, most people would say that lying is wrong but lying to protect someone else's life would be okay.

The most common theory of consequentialism is **utilitarianism**, or focusing on the greatest good for the greatest number of people. This is often referred to as “the greatest happiness principle.” It assumes **hedonism**, the ethical theory that pleasure is the highest good and proper aim of human life.

Utilitarianism is often the approach used in business because it fits so well with the notion of cost/benefit analysis. To apply utilitarianism, here are some basic steps to follow³⁹:

1. Identify all available options.
2. For each option, identify the stakeholders (parties affected by the action), including yourself.
3. For all stakeholders, identify the contribution of each action to that party's net happiness.
4. Ignoring all other factors, compare the courses of action by considering the number of people affected and how they are affected.
5. Choose the course of action most likely to maximize overall happiness.

Deontology: Duty Approach **Deontology**, or **duty-based ethics**, says that the rightness or wrongness of actions does not depend on their consequences, but on whether they fulfill one's duty. This approach is also called Kantian ethics due to its association with Immanuel Kant. Kant believed that there was a supreme principle of morality, which he referred to as The Categorical Imperative. **The Categorical Imperative** states that one should act according to the maxim that you would wish all other rational people to follow, as if it were a universal law (act as you would want all people to act toward all other people).

A second maxim of Kantian ethics is that we should treat all people as an “end, not a means.” A simplified way of saying this is that we should not use or manipulate people falsely for our own purposes. When we act based on deception or coercion of others, we treat them as means rather than as end in themselves. Thus, it is not okay to make a promise knowing you will break it, or to deceive someone into a business transaction, or pay them far below what they are worth. To apply Kant's approach⁴⁰:

1. Consider what you are proposing to do, for example lie, cheat, steal, deceive another person.
2. Identify your motive, for example, advance your self-interests (ends not means test).
3. Consider what would happen if everyone acted in this same way (universalizability test) and it resulted in a general rule permitting actions of that kind (moral legislation test).
4. Reject/permit the act if it fails/passes the test in step 3.

Important to Kantian ethics is knowing to whom you have a duty (e.g., professions, organizations, family, friends, society). This can be helpful in sorting through difficult ethical dilemmas such as the class Trolley Problem presented in Checking Ethics in OB.

Deontology: Rights and Justice Approaches Another form of duty-based ethics is based on rights, both natural and conventional. *Natural rights* are inherent such as the right to life, liberty, property, freedom, happiness. *Conventional rights* are created by humans and reflect the values of society such as the right to work, the right to marry, the right to an education and the right to privacy.

Rights and duties from the deontological approach go together. If one has a right, another has a duty to uphold that right. For example, a person's right to own property means others have a duty to not steal. The Rights Approach considers the rights of the people who are affected by a decision to determine whether an action is ethical. Consistent with Kantian ethics, the Rights Approach treats people as an end, not a means. In business, this can mean respecting employees' rights to safety, dignity, and a fair wage.

Checking Ethics in OB

The Trolley Problem: Would You Kill One Person to Save Five?



Martin Thomas Photography / Alamy Stock Photo

Imagine you are a trolley car driver. You can see in the distance ahead five workers who are unaware you are coming. You have no way to warn them and the trolley is going at too high of a speed to slow it down. They are surely going to be killed. You have a switch that can send the trolley to a different track, but on that track is one

worker. If you pull the lever you will save the lives of the five but kill the one worker on the other track. Would you pull the lever?

This is the classic thought experiment introduced in 1967 by philosopher Philippa Foot and adapted in 1985 by Judith Jarvis Thomson. It illustrates the challenge of right and wrong in ethical thinking. Typically the Trolley Problem includes the scenario above and a second consideration presented below.⁴¹

Imagine you are an employee of a trolley company standing on a bridge. You see a trolley on the track below. It is heading toward five workers who will surely be killed when the trolley hits them. Standing next to you is another worker, a large man, big enough to stop the trolley and save the five workers if you push him onto the track in front of the tram. Would you push the man onto the track, which would kill him, but save the lives of the five workers on the track?

You Decide

In both cases the outcome is the same: five lives are saved and one life is lost. But while people often see the first as appropriate, they do not approve of the second. Why is that? What is going on here? Use the ethical reasoning frameworks to explain your answer.

Based on rights, the **Fairness or Justice Approach** emphasized the duty to have a fair and just society. Most often associated with John Rawls, this approach offers two key principles for a just society:

- **Fairness principle:** citizens deserve equal basic liberties and fair equality of opportunity.
- **Difference principle:** inequalities in the distribution of goods are permissible only if they benefit the least well-off persons in society.

The fairness principle focuses on the rights of individuals whereas the difference principle addresses the distribution of wealth, power, and the basis for self-respect in society. John Rawls demonstrates these principles through a thought experiment called the **veil of ignorance**. According to the veil of ignorance, one should ask themselves to imagine that they are tasked with structuring a society without knowing where they would fall in that society or which side of a decision they would be on. What structure would that society have? What would it look like and how would it operate?⁴² Rawls argues that if all people had to make decisions this way, the result would be a more fair and just society.

Communitarianism: The Common Good Approach Communitarianism, or the **Common Good Approach**, focuses on the responsibilities and duties of people as citizens.⁴³ It assumes life in a community as a good in and of itself, and therefore, all actions should contribute to a better communal life.

The Communitarian approach is an alternative to a predominant focus on the individual. It views duties in regard to one's responsibility to the community. Applying it means going beyond individual or purely economic interest to the impact of one's action on the community's way of life (e.g., health care, education systems, recreational areas, effective police, and fire departments). People should consider whether an action violates a deeply held value or norm of the community. To help with this, questions associated with the Common Good Approach include:

- Am I meeting my duty to the community?
- Am I comfortable with the consequences of my action on the community?
- Am I respecting community values and norms?

Harm test	Does this option do less harm than the alternatives?
Publicity test	How would I feel if my choice of this option was published as a headline in a major news outlet?
Defensibility test	Could I defend my choice of this option before an ethics committee, a committee of my peers, or my family?
Reversibility test	Would I still think this option was good if I were one of those adversely affected by it?
Virtue test	What would I become if I chose this option often?
Professional test	What might my profession say about this option?
Business test	What would my colleagues say if I described my problem and suggested this option as my solution?
Organization test	What would the organization's ethics officer or legal counsel say about this option?

Source: <http://ethics.iit.edu/teaching/framework-moral-reasoning>

FIGURE 1.7 Ethical “smell” tests

The **Virtue Approach** focuses on the moral character of the person carrying out an action.

Virtues are traits or qualities deemed to be morally good.

Moral Character: The Virtue Approach The **Virtue Approach** focuses on the moral character of the person carrying out an action. Its ethical principle is: Do what a virtuous person would do. The premise is that acting in virtuous ways will provide for the full development of humanity and society.

Virtue ethics are associated with the oldest moral theories purporting that ethical behavior should be consistent with ideal **virtues**, or traits and qualities deemed to be morally good. Common virtues include truth, honesty, compassion, courage, generosity, integrity, tolerance, fairness, self-control, love, and fidelity. Using the Virtue Approach involves asking questions such as:⁴⁴

- What kind of person will I become if I do this?
- Is this action representative of me acting at my best?

Ethical Tests Ethical tests help evaluate the virtue of decisions based on how others see them. The most common ethical tests are listed in **Figure 1.7**. They are often referred to as smell tests, meaning, does the decision “stink,” or does it smell right?

Importance of Personal Ethical Fit

When it comes to our jobs and careers, it is not a matter of *if* we will face an ethical dilemma but *when*. Understanding ethics and knowing how to engage in ethical reasoning will help us make the right choice and take an ethical stand when confronted with ethical issues in the workplace. But the ability to take a stand also depends on our ethical fit.

Ethical fit is the alignment of personal ethics and values with an organization and industry. When a person has a bad ethical fit, it can generate **dissonance**, a feeling of unease and tension that causes discomfort and stress. Strong dissonance has serious damaging effects. Over time, it wears people down, causing burnout, health problems, and spilling over into our private lives. To avoid this, we need to carefully consider ethical fit in our choices about jobs, careers, organizations, geographic locations, and the fundamental nature of the work we do.

Identifying Our Ethical Fit Assessing ethical fit starts with knowing ourselves. Take a minute right now and consider this. Do you know what your ethical values are? What matters most to you in terms of standards of conduct? Look at **Figure 1.8** and rank how important each is to you (you can add other values to the list as well).

Now think about the things that matter to you most in your life and career:

- **Family:** being able to spend time with your family.
- **Friends:** spending time with friends and having a social life.

Ethical fit is alignment of personal ethics and values with an organization and industry.

Dissonance is the tension we feel when something does not match our expectations.

Honesty: being truthful and not telling lies	Trustworthiness: doing what you say you will do
Integrity: being true to yourself and not letting others define you	Fairness: treating people fairly and equitably
Compassion: feeling for and wanting to help others	Transparency: being open and honest
Dignity: treating others with dignity and respect	Inclusion: including others regardless of differences

FIGURE 1.8 Ethical values

- **Achievement:** achieving and accomplishing.
- **Security:** feeling safe and secure in your life.
- **Purpose:** feeling your work is meaningful.
- **Money:** earning large amounts of money.

Develop a list of the top 3–5 things that are most important to you (they don’t have to be on the list above). Your list can include things like family, work, friends, and so on and what you want to achieve from your work and life. Your list should also include *how* you will achieve your goal. For example, do you prioritize independent thinking and a willingness to deviate from the status quo? Or do you prefer a structured and systematic approach to work that relies on strict adherence to rules?

Once you know your values, think about their implications for ethics. What is your **ethical line**, the line you won’t cross if someone asks or commands you to do something unethical? For those in finance, would you do insider trading? For those in accounting, would you falsify numbers on a financial report? Marketing professionals, would you misrepresent product data to get a sale? Do your answers change if refusing to do any of these actions will cost you your job?

Knowing your ethical line helps you to be “principled” about what you will and won’t do. This can be vital in avoiding the **slippery slope**, situations in which small ethical violations escalate quickly into major ones. You may have experienced a situation in your own life where a “little” lie ended up snowballing into a series of lies that spiraled out of control.

Once you know your values and the “line you won’t cross,” consider how well your ethical values fit your organization or ones you are thinking of joining. Checking the company’s “About Us” page can help. It identifies the vision, mission, and values of the organization and often includes an ethical statement relative to how individuals treat one another and what managers and employees value in the workplace.

Maintaining Our Ethical Fit With ethical fit in place, the next step is to maintain it. This involves recognizing warning signs that you or those around you are beginning to go down the slippery slope. Signs of the slippery slope are discomfort about actions people are taking or unethical requests being made. Another sign is **rationalization**, or justifications or excuses for bad behavior. Rationalization involves denying or hiding true reasons or motivations or one’s actions. It also serves to convince people that what they are doing is not wrong or isn’t their fault. Common rationalizations in the workplace include:⁴⁵

- “My boss made me do it so I didn’t have any choice.”
- “Everyone is doing it.”
- “Others have done much worse.”
- “They were bad to me so they deserved it.”

If we experience dissonance or rationalization, we now have another ethical dilemma: How do we respond to it? Do we ignore it or do we act on it? In extreme cases, this may involve making the decision about whether to blow the whistle.

Ethical line is the line you won’t cross if someone asks or commands you to do something unethical.

Rationalization is denying or hiding true motivations or reasons for one’s actions.

Worth Considering or Best Avoided?

Should Maya Report Harassment?



Vyacheslav Dunchev / Alamy Stock Photo

Maya, a senior at Stanford University, was an intern in the Office of the Secretary in the U.S. Department of Defense. One night in July she was attending an office happy hour when a drunken senior male colleague, an employee much older than her, started trailing her. As he followed her and the other interns around the room, she felt a sense of unease.

Despite her efforts to avoid him, he managed to corner her in the room. Standing too close and pinning her in place, he pestered her with questions. What did she like to drink (despite her being underage)? What was her ethnicity? How did she like to party? Maya tried to deflect, but he pressed on, infusing the conversation with sexual innuendo.

Later, in the car on the way home, the interns debated about what happened and what Maya should do now. Should she report the incident—would it do any good? They knew the statistics. Out of over 6,200 reports of sexual assault made by U.S. service members in 2020, only 50 cases, 0.8 percent, led to conviction. The likelihood was high that the same would happen in this case.

As a result, Maya began questioning herself and her motives, downplaying the incident in her own mind: “I’m overreacting...it wasn’t that big of a deal.” Despite being typically outspoken, her instinct for self-preservation urged her to remain silent and not report what happened. “I was terrified of jeopardizing the internship I had been so excited to score and the career I was just starting. I worried about hurting the relationships I’d built in the office. I wondered, who would believe the intern?”

Despite this, the office she worked for was tasked with addressing sexual misconduct in the military, among other things. If her office couldn’t address it, who could?⁴⁶

Do the Analysis

Considering all the factors associated with speaking up, should Maya report the incident to her superiors? What do you think will happen to her? Have times changed enough that this incident will be recognized for what it is—sexual harassment? Do Maya and the other witnesses have an ethical duty to speak up? What happens if they do not? Who else could be harmed? How do we determine whether the benefits of the social good outweigh the cost to ourselves or our family? What if no one “blew the whistle” on this kind of behavior?

Personal ethical awareness, strong ethical reasoning skills, and good ethical fit all add up to success when it comes to managing ethics in the workplace. When we consider the serious problems ethical scandals cause, and the personal harm they impose on people and organizations caught up in them, being prepared for ethics is not something that should be taken lightly. It is, like other aspects of OB, an important part of professional and career planning and development.

1.3 Study Guide

What are ethics and why do they matter?

- Ethics are standards of behavior that help us decide how we ought to act in a range of situations.
- Professional ethics are the standards of behavior that articulate the appropriate way of practicing a profession. For example, business ethics are “behavior that is consistent with the principles, norms and standards of business practice that have been agreed upon by society.”
- Understanding ethics is important because it prepares us to handle ethical dilemmas in a way that is consistent with our ethical values and that avoids negative consequences.
- Ethics are different from morals in that ethics allow a group to know what is expected of them in a particular social setting, such as a profession, organized religion, nation, or a political party. Morals are broad expectations for societal behavior regarding what is right and wrong.

How do we apply ethical reasoning frameworks using the ethical decision-making model?

- Ethical reasoning frameworks offer a way to generate ethically informed and morally defensible decisions by identifying key themes and questions to consider as we make choices.

- Consequentialism focuses on whether something is right or wrong based on its consequences. The most common form is utilitarianism, or focusing on the greatest good for the greatest number. Act utilitarianism promotes helping people through the most ethical actions. Rule utilitarianism promotes helping the largest number of people with the fairest methods possible.
- Deontology, or duty-based ethics, says that the rightness or wrongness of actions does not depend on consequences, but on whether actions fulfill one's duty. This approach is also called Kantian ethics, due to its association with Immanuel Kant.
 - One form of duty-based ethics is the Rights Approach, which says we have a duty to uphold others' rights. Rights are defined as justified claims an individual or group can make upon another.
 - Another form of duty-based ethics is the Fairness or Justice Approach, which focuses on our duty to have a fair and just society.
- Communitarianism, or the Common Good Approach, focuses on the responsibilities and duties of people as citizens. It promotes ethical reasoning that involves fulfilling one's role in society and respecting the obligations one has to their fellow community members.
- The Virtue Approach focuses on the moral character of the person carrying out an action. The ethical principle of virtue ethics is: Do what a virtuous person would do.

What is the importance of personal ethical fit and how do I get it?

- Ethical fit helps us to be able to act on our ethical stance. It does this by aligning our personal ethics and values with the organization and industry in which we work.
- When a person has poor ethical fit with an organization, it can generate dissonance, a feeling of unease and tension that causes discomfort and stress. Dissonance can cause burnout, health problems, and spill over into our private lives.
- Assessing ethical fit starts with knowing ourselves—what our ethical values are and what our priorities are for our life and in our careers. It also comes from knowing our ethical line, the line we won't cross if someone asks or commands us to do something unethical.
- By knowing our values and the lines we won't cross, we can assess ethical fit by checking a company's "About Us" page to see their vision, mission, and values. We can also screen for it in interviews by asking people what the ethical climate is like.
- Good ethical fit helps us to avoid the slippery slope, situations in which we make small ethical violations that snowball in uncontrollable ways into major ethical violations and scandals.
- Maintaining ethical fit involves recognizing warning signs, including the slippery slope, dissonance, and rationalization, that is, justifications or excuses for bad behavior that deny or hide true motivations or reasons for our actions.
- Personal ethical awareness, strong ethical reasoning skills, and good ethical fit all add up to success when it comes to managing ethics in the workplace.

Self-Test Chapter 1

Multiple Choice

1. Which of the following issues would be most central to the field of organizational behavior (OB)?
 - a. Improving advertising for a new product
 - b. Increasing job satisfaction and performance among members of a team
 - c. Strategizing for organizational growth
 - d. Designing a new management information system
2. What is the best description of the context for organizational behavior today?
 - a. Command-and-control is in.
 - b. The new generation is similar to the old.
 - c. Empowerment is out.
 - d. Work-life balance concerns are in.

3. Which of the following statements about diversity in the workforce is NOT true?
 - a. The U.S. workforce is more diverse now than ever before.
 - b. The U.S. is predicted to be a true plurality by the year 2060.
 - c. America is growing demographically younger.
 - d. Hispanics are now the fastest growing community in the United States.
4. Which statement about OB is most correct?
 - a. OB seeks one-best-way solutions to management problems.
 - b. OB is a unique science that has little relationship to other scientific disciplines.
 - c. OB is focused on using social science knowledge for practical applications.
 - d. OB is so modern that it has no historical roots.

5. Which of the following is not a step in the experiential learning cycle?

- a. Reflection
- b. Theory building
- c. Experimentation
- d. Conclusion

6. If you know something because of a gut feeling, your knowledge is based on _____.

- a. intuition
- b. experience
- c. authority
- d. science

7. Laura regularly questions her professors in class and challenges conventional wisdom. She is demonstrating which of the four attributes of critical thinking?

- a. Intellectual humility
- b. Confidence in reason
- c. Intuition
- d. Intellectual independence

8. Mark admitted to some flaws in the plan he presented on increasing the company's strategic growth and altered his opinion based on new market research. He is demonstrating which of the four attributes of critical thinking?

- a. Intellectual humility
- b. Confidence in reason
- c. Intellectual curiosity
- d. Intellectual independence

9. Asking, "Is this the most important problem to consider?" is an attempt to address which intellectual standard?

- a. Accuracy
- b. Significance
- c. Logic
- d. Precision

10. Asking "Do we need to look at this in other ways?" is an attempt to address which intellectual standard?

- a. Accuracy
- b. Depth
- c. Logic
- d. Completeness

11. Ethics are _____ standards of behavior for a specific group whereas morality is _____ expectations for societal behavior.

- a. broad; particular
- b. established; fluctuating
- c. particular; broad
- d. strict; loose

12. The _____ Approach addresses issues of the greatest good for the greatest number/least harm.

- a. Duty-Based
- b. Rights
- c. Communitarian
- d. Utilitarian

13. _____ is associated with John Rawls' theory of justice.

- a. The veil of ignorance
- b. The Categorical Imperative
- c. Act utilitarianism
- d. The Greatest Happiness Principle

14. "How would I feel if my choice of this option was published as a headline of a major news outlet?" is an example of an _____.

- a. ethical dilemma
- b. ethical climate
- c. ethical smell test
- d. ethical fit

15. When people make excuses for bad behavior they are _____.

- a. compromising
- b. rationalizing
- c. evangelizing
- d. moralizing

Short Response

16. What are the key characteristics of OB as a scientific discipline?

17. Define critical thinking and describe its attributes.

18. Describe a common flaw that can complicate a person's ability to think critically.

19. What is ethical fit and why is it important to have it?

Applications Essay

20. Carla, a college junior, is participating in a special "elementary education outreach" project in her local community. Along with other students from the business school, she is going to spend the day with fourth- and fifth-grade students and introduce them to the opportunities of going to college. One of her tasks is to lead a class discussion of the question, "How is the world of work changing today?" Help Carla out by creating an outline of the major points she should discuss with the students.

Self-Test Answers

1. b 2. d 3. c 4. c 5. d 6. a 7. d
 8. a 9. b 10. d 11. c 12. d 13. a
 14. c 15. b

16. OB as a scientific discipline has the following characteristics: (a) It is an interdisciplinary body of knowledge, drawing upon insights from such allied social sciences as sociology and psychology. (b) OB researchers use scientific methods to develop and test models and theories about human behavior in organizations. (c) OB focuses on application, trying to develop from science practical insights that can improve organizations. (d) OB uses contingency thinking, trying to fit

explanations to situations rather than trying to find one best answer that fits all situations.

17. Critical thinking is a systematic and comprehensive process of making objective, unbiased assessments of facts when forming a judgment. To think critically, one must continually challenge one's own assumptions while trying to make honest, fair, rational decisions based on evidence and reason. Critical thought is careful, evidence-based, mindful of context, and free from bias. Unfortunately, without conscientious and intentional effort, much of our thinking can be distorted, partial, uninformed, or prejudiced.

18. The text outlines four common flaws that make critical thinking difficult. They are:

- **Confirmation bias:** the tendency to search for and interpret information in a way that confirms one's existing opinions or preconceptions.
- **Dichotomies:** the tendency to see problems and solutions in simplistic terms (e.g., true/false; always/never) rather than with the nuance in most complex issues.
- **Bandwagon effect:** the tendency to believe things because many other people do. This is related to groupthink and the herd mentality, which occur when people blindly follow the crowd (i.e., the herd).
- **Selective perception:** the tendency to notice or perceive only certain bits of information.

19. Ethical fit is the alignment of personal ethics and values with an organization and industry. Ethical fit helps us to be able to act on our ethical stance. It does this by aligning our personal ethics and values with the organization and industry in which we work. When a person has a poor ethical fit, it can generate dissonance, a feeling of unease and tension that causes discomfort and stress. Strong dissonance has serious damaging effects. Over time, it wears people down, causing

burnout, health problems, and spilling over into our private lives. To avoid this, we need to carefully consider ethical fit in our choices about jobs, careers, organizations, geographic locations, and the fundamental nature of the work we do.

20. Carla is about to lead an important discussion since the world of work will certainly be different by the time these fourth and fifth graders are ready to enter the workforce. As they look ahead, she should encourage them to consider the following points:

- Commitment to ethical behavior
- Importance of knowledge and experience in the form of human capital
- Less emphasis on boss-centered command and control
- Emphasis on teamwork
- Emphasis on use of computers and information technology
- Respect for people and their work expectations
- More people working for themselves and more job-and-employer shifting by people; fewer people working an entire lifetime for one organization

Of course, one of Carla's greatest challenges will be to express these concepts in words and examples that fourth and fifth graders understand.

Endnotes

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