

Foundations of Individual Behavior

After reading this chapter, you should be able to:

1. List the dominant values in today's workforce
2. Describe the relationship between satisfaction and productivity
3. Explain the theory of cognitive dissonance
4. Summarize the relationship between attitudes and behavior
5. Explain how two people can see the same thing and interpret it differently
6. Summarize attribution theory
7. Outline the learning process

An understanding of individual behavior begins with a review of the major psychological contributions to OB. These contributions are subdivided into the following four concepts: values, attitudes, perception, and learning.

VALUES

Is capital punishment right or wrong? If a person likes power, is that good or bad? The answers to these questions are value-laden. Some might argue, for example, that capital punishment is right because it's an appropriate retribution for crimes like murder or treason. However, others might argue, just as strongly, that no government has the right to take anyone's life.

Values represent basic convictions that "a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."¹ They contain a judgmental element in that they carry an individual's ideas as to what is right, good, or desirable. Value systems represent a prioritizing of individual values. They're identified by the relative importance an

individual assigns to values such as freedom, pleasure, self-respect, honesty, obedience, and equality.

Types of Values

Can we classify values? The answer is: Yes. In this section, we'll review two approaches to developing value typologies.

Rokeach Value Survey Milton Rokeach created the Rokeach Value Survey (RVS).² The RVS consists of two sets of values, with each set containing 18 individual value items. One set, called **terminal values**, refers to desirable end-states of existence. These are the goals that a person would like to achieve during his or her lifetime. The other set, called **instrumental values**, refers to preferable modes of behavior, or means of achieving the terminal values. Exhibit 2-1 gives common examples for each of these sets.

Several studies confirm that the RVS values vary among groups.³ People in the same occupations or categories (e.g., corporate managers, union members, parents, students) tend to hold similar values. For instance, one study comparing corporate executives, members of the steelworkers' union, and members of a community activist group found a good deal of overlap among the three groups,⁴ but also some very significant differences. The activists had value preferences that were quite different from those of the other two groups. They ranked equality as their most important terminal value; executives and union members ranked this value 12 and 13, respectively. Activists ranked "helpful" as their second-highest instrumental value. The other two groups both ranked it 14. These differences are important, since executives, union members, and activists all have a vested interest in what corporations do. "When corporations and critical stakeholder groups such as these [other] two come together in negotiations or contend with one another over economic and social policies, they are

EXHIBIT 2-1 Examples of Terminal and Instrumental Values in the Rokeach Value Survey

Terminal Values	Instrumental Values
A comfortable life (a prosperous life)	Ambitious (hardworking, aspiring)
A sense of accomplishment (lasting contribution)	Capable (competent, effective)
A world of peace (free of war and conflict)	Cheerful (lighthearted, joyful)
A world of beauty (beauty of nature and the arts)	Clean (neat, tidy)
Equality (brotherhood, equal opportunity for all)	Courageous (standing up for your beliefs)
Family security (taking care of loved ones)	Helpful (working for the welfare of others)
Freedom (independence, free choice)	Honest (sincere, truthful)
Happiness (contentedness)	Imaginative (daring, creative)
Inner harmony (freedom from inner conflict)	Logical (consistent, rational)
Pleasure (an enjoyable, leisurely life)	Loving (affectionate, tender)
Salvation (saved, eternal life)	Obedient (dutiful, respectful)
Social recognition (respect, admiration)	Polite (courteous, well mannered)
True friendship (close companionship)	Responsible (dependable, reliable)

likely to begin with these built-in differences in personal value preferences. . . . Reaching agreement on any specific issue or policy where these personal values are importantly implicated might prove to be quite difficult.”⁵

Contemporary Work Cohorts I have integrated several recent analyses of work values into four groups, attempting to capture the unique values of different cohorts or generations in the U.S. workforce.⁶ (No assumption is made that this framework would universally apply across all cultures.) Exhibit 2-2 proposes that employees can be segmented by the era in which they entered the workforce. Because most people start work between the ages of 18 and 23, the eras also correlate closely with the chronological age of employees.

Workers who grew up influenced by the Great Depression, World War II, the Andrews Sisters, and the Berlin blockage entered the workforce through the 1950s and early 1960s believing in hard work, the status quo, and authority figures. We call them *Veterans*. Once hired, Veterans tended to be loyal to their employer. In terms of the terminal values on the RVS, these employees are likely to place the greatest importance on a comfortable life and family security.

Boomers entered the workforce from the mid-1960s through the mid-1980s. This cohort were influenced heavily by the civil rights movement, the Beatles, the Vietnam war, and baby-boom competition. They brought with them a large measure of the “hippie ethic” and distrust of authority. But they place a great deal of emphasis on achievement and material success. They’re pragmatists who believe that ends can justify means. Boomers see the organizations that employ them merely as vehicles for their careers. Terminal values like a sense of accomplishment and social recognition rank high with them.

Xers’ lives have been shaped by globalization, two-career parents, MTV, AIDS, and computers. They value flexibility, life options, and the achievement of job satisfaction. Family and relationships are very important to this cohort. They also enjoy team-oriented work. Money is important as an indicator of career performance, but Xers are willing to trade off salary increases, titles, security, and promotions for increased leisure

EXHIBIT 2-2 Dominant Values in Today’s Workforce

Cohort	Entered the Workforce	Approximate Current Age	Dominant Work Values
Veterans	1950s or early 1960s	65+	Hardworking, conservative, conforming; loyalty to the organization
Boomers	1965–1985	Early 40s to mid-60s	Success, achievement, ambition, dislike of authority; loyalty to career
Xers	1985–2000	Late 20s to early 40s	Work/life balance, team-oriented, dislike of rules; loyalty to relationships
Nexters	2000 to present	Under 30	Confident, financial success, self-reliant but team-oriented; loyalty to both self and relationships

time and expanded lifestyle options. In search of balance in their lives, Xers are less willing to make personal sacrifices for the sake of their employer than previous generations were. On the RVS, they rate high on true friendship, happiness, and pleasure.

The most recent entrants to the workforce, the *Nexters*, grew up during prosperous times but find themselves entering a post-boom economy. Gone are the days of hiring bonuses and abundant jobs. Now they face insecurity about jobs and careers. Yet they have high expectations and seek meaning in their work. *Nexters* are at ease with diversity and the first generation to take technology for granted. They've lived most of their lives with DVDs, cell phones, and the Internet. This generation is very money-oriented and desirous of the things that money can buy. They seek financial success. Like Xers, they enjoy teamwork but they're also highly self-reliant. They tend to emphasize terminal values such as freedom and a comfortable life.

An understanding that individuals' values differ but tend to reflect the societal values of the period in which they grew up can be a valuable aid in explaining and predicting behavior. Employees in their late 60s, for instance, are more likely to accept authority than their coworkers who are 10 or 15 years younger. And workers in their 30s are more likely than their parents to balk at having to work weekends and more prone to leave a job in midcareer to pursue another that provides more leisure time.

Values, Loyalty, and Ethical Behavior

Has there been a decline in business ethics? Recent corporate scandals involving accounting manipulations, coverups, and conflicts of interest certainly suggest such a decline. But is this a recent phenomenon?

While the issue is debatable, a lot of people think ethical standards began to erode in the late 1970s.⁷ If there has been a decline in ethical standards, perhaps we should look to our work cohort model (see Exhibit 2-2) for a possible explanation. After all, managers consistently report that the action of their bosses is the most important factor influencing ethical and unethical behavior in their organizations.⁸ Given this fact, the values of those in middle and upper management should have a significant bearing on the entire ethical climate within an organization.

Through the mid-1970s, the managerial ranks were dominated by Veterans, whose loyalties were to their employer. When faced with ethical dilemmas, their decisions were made in terms of what was best for their organization. Beginning in the mid- to late-1970s, Boomers began to rise into the upper levels of management. By the early 1990s, a large portion of middle and top management positions in business organizations were held by Boomers.

The loyalty of Boomers is to their careers. Their focus is inward and their primary concern is with looking out for "Number One." Such self-centered values would be consistent with a decline in ethical standards. Could this help explain the alleged decline in business ethics beginning in the late 1970s?

The potential good news in this analysis is that Xers are now in the process of moving into middle-management slots and soon will be rising into top management. Since their loyalty is to relationships, they are more likely to consider the ethical implications of their actions on those around them. The result? We might look forward to an uplifting of ethical standards in business over the next decade or two merely as a result of changing values within the managerial ranks.

Values Across Cultures

In Chapter 1, we described a world of diverse cultures and organizations that are no longer constrained by national borders. Because values differ across cultures, an understanding of these differences should be helpful in explaining and predicting the behavior of employees from different countries.

Hofstede's Framework for Assessing Cultures One of the most widely referenced approaches for analyzing variations among cultures was done in the late-1970s by Geert Hofstede.⁹ He surveyed more than 116,000 IBM employees in 40 countries about their work-related values. He found that managers and employees vary on five value dimensions of national culture. They are listed and defined as follows:

—Because values differ across cultures, an understanding of these differences should be helpful in explaining and predicting behavior of employees from different countries.

Power distance. The degree to which people in a country accept that power in institutions and organizations is distributed unequally. Ranges from relatively equal (low power distance) to extremely unequal (high power distance).

Individualism versus collectivism. Individualism is the degree to which people in a country prefer to act as individuals rather than as members of groups. Collectivism is the equivalent of low individualism.

Achievement versus nurturing. Achievement is the degree to which values such as assertiveness, the acquisition of money and material goods, and competition prevail. Nurturing is the degree to which people value relationships, and show sensitivity and concern for the welfare of others.¹⁰

Uncertainty avoidance. The degree to which people in a country prefer structured over unstructured situations. In countries that score high on uncertainty avoidance, people have an increased level of anxiety, which manifests itself in greater nervousness, stress, and aggressiveness.

Long-term versus short-term orientation. People in cultures with long-term orientations look to the future and value thrift and persistence. A short-term orientation values the past and present and emphasizes respect for tradition and fulfilling social obligations.

What did Hofstede's research conclude? Here are a few highlights. China and West Africa scored high on power distance; the United States and the Netherlands scored low. Most Asian countries were more collectivist than individualistic; the United States ranked highest among all countries on individualism. Germany and Hong Kong rated high on achievement; Russia and the Netherlands rated low. On uncertainty avoidance, France and Russia were high; Hong Kong and the United States were low. And China and Hong Kong had a long-term orientation, whereas France and the United States had a short-term orientation.

The GLOBE Framework for Assessing Cultures Hofstede's cultural dimensions have become the basic framework for differentiating among national cultures. This is in spite of the fact that the data on which it's based come from a single company and are nearly 30 years old. Since these data were originally gathered, a lot has happened on the world scene. Some of the most obvious include the fall of the Soviet Union, the merging of East and West Germany, the end of apartheid in South Africa, and the rise

of China as a global power. All this suggests the need for an updated assessment of cultural dimensions. The GLOBE project provides such an update.¹¹

Began in 1993, the GLOBE project is an ongoing cross-cultural investigation of leadership and national culture. Using data from 825 organizations in 62 countries, the GLOBE team identified nine dimensions on which national cultures differ (see Exhibit 2-3 for examples of country ratings on each of the dimensions).

1. *Assertiveness*. The extent to which a society encourages people to be tough, confrontational, assertive, and competitive versus modest and tender. This is essentially equivalent to Hofstede's achievement dimension.
2. *Future orientation*. The extent to which a society encourages and rewards future-oriented behaviors such as planning, investing in the future, and delaying gratification. This is essentially equivalent to Hofstede's long-term/short-term orientation.

EXHIBIT 2-3 GLOBE Highlights

Dimension	Countries Rating Low	Countries Rating Moderate	Countries Rating High
Assertiveness	Sweden New Zealand Switzerland	Egypt Ireland Philippines	Spain United States Greece
Future orientation	Russia Argentina Poland	Slovenia Egypt Ireland	Denmark Canada The Netherlands
Gender differentiation	Sweden Denmark Slovenia	Italy Brazil Argentina	South Korea Egypt Morocco
Uncertainty avoidance	Russia Hungary Bolivia	Israel United States Mexico	Austria Denmark Germany
Power distance	Denmark The Netherlands South Africa	England France Brazil	Russia Spain Thailand
Individualism/collectivism*	Denmark Singapore Japan	Hong Kong United States Egypt	Greece Hungary Germany
In-group collectivism	Denmark Sweden New Zealand	Japan Israel Qatar	Egypt China Morocco
Performance orientation	Russia Argentina Greece	Sweden Israel Spain	United States Taiwan New Zealand
Humane orientation	Germany Spain France	Hong Kong Sweden Taiwan	Indonesia Egypt Malaysia

* A low score is synonymous with collectivism.

3. *Gender differentiation.* The extent to which a society maximizes gender role differences.
4. *Uncertainty avoidance.* As identified by Hofstede, the GLOBE team defined this term as a society's reliance on social norms and procedures to alleviate the unpredictability of future events.
5. *Power distance.* As did Hofstede, the GLOBE team defined this as the degree to which members of a society expect power to be unequally shared.
6. *Individualism/collectivism.* Again, this term was defined, as was Hofstede's, as the degree to which individuals are encouraged by societal institutions to be integrated into groups within organizations and society.
7. *In-group collectivism.* In contrast to focusing on societal institutions, this dimension encompasses the extent to which members of a society take pride in membership in small groups, such as their family and circle of close friends, and the organizations in which they are employed.
8. *Performance orientation.* This refers to the degree to which a society encourages and rewards group members for performance improvement and excellence.
9. *Humane orientation.* This is defined as the degree to which a society encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others. This closely approximates Hofstede's nurturing dimension.

A comparison of the GLOBE dimensions against those identified by Hofstede suggest that the former has extended Hofstede's work rather than replaced it. The GLOBE project confirms that Hofstede's five dimensions are still valid. However, it has added some additional dimensions and provides us with an updated measure of where countries rate on each dimension. For instance, while the United States led the world in individualism in the 1970s, today it scores in the middle ranks of countries. We can expect future cross-cultural studies of human behavior and organizational practices to increasingly use the GLOBE dimensions to assess differences between countries.

Implications for OB Twenty years ago, it would have been fair to say that organizational behavior had a strong American bias. Most of the concepts had been developed by Americans using American subjects within domestic contexts. For instance, a comprehensive study published in the early 1980s covering more than 11,000 articles published in 24 management and organizational behavior journals over a 10-year period found that approximately 80 percent of the studies were done in the United States and had been conducted by Americans.¹² But times have changed.¹³ Although the majority of published findings still focus on Americans, recent research has significantly expanded OB's domain to include European, South American, African, and Asian subjects. In addition, there has been a marked increase in cross-cultural research by teams of researchers from different countries.¹⁴

OB has become a global discipline and, as such, its concepts need to reflect the different cultural values of people in different countries. Fortunately, a wealth of research has been published in recent years that allows us to specify where OB concepts are universally applicable across cultures and where they're not. In future chapters, we'll regularly stop to consider the generalizability of OB findings and how they might need to be modified in different countries.