# Psychological Entitlement and Conscientiousness as Predictors of Socially Responsible Workplace Decisions

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Organizations can benefit from identifying job candidates who make good ethical decisions, yet determining such candidates can sometimes be difficult, particularly for smaller organizations that are less likely to have formalized human resource practices or ethical codes of conduct. Such organizations may welcome low cost selection tools that they can use to distinguish ethical decision makers. Building upon agency and stewardship theories, we examine the relationships between conscientiousness, psychological entitlement (PES), and ethical decision-making by conducting two phases of surveys with 64 and 118 potential job seekers. Results suggest that more conscientious individuals are more likely to be aware of the most socially responsible choice for a promotion than their less conscientious counterparts. Participants with lower levels of psychological entitlement are additionally more likely to choose to work for a socially responsible organization, despite the fact that they would be working for less pay. Conscientious individuals could not be distinguished from their less conscientious counterparts when it came to working for less pay for a more socially responsible company. Practical and theoretical implications for small organizations are discussed.

Small businesses with fewer than 500 employees constitute 99.7% of U.S. employer firms, 64% of net new private sector jobs, and 49.2% of private-sector employment, yet only half of all new businesses survive past the first five years and only a third survive past the first decade (Small Business Administration, 2012). Despite these statistics, most of the research on workplaces focuses on factors impacting the success of large organizations (Burke & El-Kot, 2014). Within small and medium-size enterprises, previous research suggests that human resource management (HRM) practices contribute to successes (Chandler & McEvoy 2000; Hayton, 2003). HRM practices are linked to improvements in motivation, attraction, selection, development, and retention (Burke & El-Kot, 2014).

The present study focuses on selection, suggesting that organizations may benefit by identifying and placing job candidates who are more likely to make socially responsible workplace decisions. We examine two factors likely to differentially predict such decisions: psychological entitlement and conscientiousness. Both factors have been well-documented in their predictions of a variety of negative and positive behaviors, respectively; however, neither has been adequately examined with respect to making ethical decisions in the workplace. Further, very little research has focused on either of these two personality dimensions within the context of small businesses. Hiring managers within small businesses may have a more difficult time than their counterparts at larger organization distinguishing the personality and behavioral characteristics of job applicants, given their differential resources and time. Small organizations are often more time-constrained when hiring and operate in less certain environments with limited information (Emsfors & Holmberg, 2015). Furthermore, small firms are frequently new firms that are less likely to have well-developed ethical climates, codes of conduct (Marta, Singhapakdi & Kraft, 2008), or formalized human resource practices (Kotey & Slade, 2005), so they may encounter particular challenges distinguishing ethical job candidates. Smaller organizations often rely on relatively inexpensive informal recruitment sources (Marlow & Patton, 1993), yet may not fully recognize the weaknesses associated with such informal hiring decisions until the employees have "wreaked havoc" on their organizations (Wells, 2013, p. 66). In addition, previous research has indicated that employees with lower levels of conscientiousness are attracted to small organizations (Thomason, Brownlee & Steiner, 2013), so using relatively low-cost and timely selection tools may be particularly valuable in weeding such candidates out. Small firms may benefit from identifying other negative personality traits that plague workplaces as well, such as entitlement.

# LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Entitlement is an issue that has been around for decades, yet we could identify no studies that contributed to a discussion of employee entitlement within small businesses, which seems surprising. Over a half century ago, President John F. Kennedy recognized the problem when he famously directed Americans to "ask not what your country can do for you, but what you can do for your country." Focusing on the selflessness of the common good instead of the selfishness of individual interests still challenges people today. Scholars of organizational theory and economics often turn to agency theory for a greater understanding of this challenge in organizations. Agency theory (Jensen & Meckling, 1976; Fama, 1980) posits that employees act in their own self-interests when making rational decisions, often to the detriment of their principals - the owners of the organizations for which they work. In contrast, stewardship theory (Davis, Schoorman & Donaldson, 1997; Tosi, Brownlee, Silva & Katz, 2003) proposes that people act more selflessly or in the interest of others.

The discussion of why people choose to act in their own self-interest or more selflessly is especially relevant when reviewing recent research focused on the latest generation entering the workforce. Twenge and Campbell (2008) reviewed data from 1.4 million individuals from research reports from the 1930s to the early 2000s on generational differences in attitudes. The authors determined that managers should be aware that the latest generation of college students, "Generation Me," has "unrealistically high expectations, a high need for praise, difficulty with criticism...and ethics scandals" (p. 862). Campbell, Bonacci, Shelton, Exline, and Bushman (2004) cite a variety of press articles lamenting issues of entitlement as a curse affecting a wide variety of people, from CEOs and entrepreneurs, to younger workers, to students and faculty. Campbell et al. (2004) further state that entitlement "is at the heart of many questions concerning the distribution of resources in society, from tax breaks to social welfare to university enrollments" (p. 29). The authors developed and validated a Psychological Entitlement Scale (PES), which has exhibited internal consistency and validity by showing positive relationships with a variety of negative dispositions, such as hostility, dominance, neuroticism, skepticism (converse of agreeableness), aggression, greed and taking items that belong to others (Campbell et al., 2004). The authors define entitlement as a "stable and pervasive sense that one deserves more and is entitled to more than others," (Campbell et al., 2004, p. 30-31).

Growing concerns about upward trends in entitlement in the workplace mirror concerns about upward trends in academic entitlement. Academic entitlement is unique to the K – 12 and university populations. Kopp, Zinn, Finney, and Jurich (2011) define academic entitlement as the "expectation that one should receive positive academic outcomes in academic settings, often independent of performance" (p. 106). While student test scores and performance in the K – 12 grades have remained relatively constant over time, grades have increased dramatically, fueling student expectations about receiving high grades despite minimal effort (Kopp *et al.*, 2011). Grade inflation has also spilled over in university settings (Summary & Weber, 2012; Jewell & McPherson, 2012). While academic entitlement focuses on expectations of grades, psychological entitlement (as part of a "generalized entitlement" variable) stems from individuals' beliefs that they should receive various outcomes due to their unreasonable expectations of especially favorable treatment (Kopp *et al.*, 2011; Chowning & Campbell, 2009; Ciani, Summers, & Easter, 2008). Psychological entitlement may thus help to capture both school and work-related expectations.

Psychological entitlement focuses on an individual's judgments and expectations that are not necessarily related to individual performance (Harvey & Martinko, 2009). In other words, entitlement perceptions are based on unbalanced assessments of reciprocity (Harvey & Martinko, 2009; Naumann, Minsky, & Sturman, 2002). These assessments may stem from perceived psychological contracts between employers and employees (Robinson & Rousseau, 1994), which impact work attitudes and behaviors

(Naumann *et al.*, 2002). Psychological contracts are unstated, stable contracts between employees and employers that affect expectations and perceptions of inequity (Morrison & Robinson, 1997). If an employee considers his organization's decisions to be unfair, a violation to the psychological contract occurs, leading to feelings of anger and betrayal (Morrison & Robinson, 1997). Highly entitled employees with high expectations of their organizations may more strongly sense psychological contract violations when such expectations are unmet (Naumann *et al.*, 2002; Robinson & Rousseau, 1994).

The impact of staffing organizations with individuals with high levels of entitlement is an important issue. Previous anecdotal and empirical research suggests a growing prevalence of such individuals in both schools and workplaces (Campbell *et al.*, 2004; Twenge & Campbell, 2008), which may be a menace considering the relationships between the PES and various negative personality characteristics cited above. Yet little research has focused on whether these counterproductive attitudes relate to socially responsible workplace decisions, though research has confirmed relationships with a variety of other negative dispositions (Campbell *et al.*, 2004). The egoistic tendencies associated with psychological entitlement suggest that it will relate to less socially responsible decisions.

In contrast to the negativity surrounding psychological entitlement, conscientiousness, which is one of the five domains of the well-studied Five Factor Model of Personality (Costa & McCrae, 1992), seems likely to generate opposing sorts of ethical decisions. Conscientiousness assesses the control of impulses (Costa & McCrae, 1992) and is associated with dutiful, responsible, dependable, and achievement-oriented individuals. The domain has been found to predict hirability ratings (Topor, Colarelli & Han, 2007) and core task performance (Witt & Ferris, 2003; McCrae & John, 1992). Along with altruism, conscientiousness is an overarching dimension of organization citizenship behaviors (Borman, Penner, Allen & Motowidlo, 2001). Accordingly, it seems likely that conscientiousness will relate to making more ethical decisions in the workplace.

The next section of this paper proposes and tests a model of psychological entitlement, conscientiousness, and socially responsible workplace decisions. Theoretical and practical implications follow.

# ETHICAL DECISIONS AND PSYCHOLOGICAL ENTITLEMENT

Ethical decision making has been defined as any decision that may benefit or harm others or that exercises the rights of some over the rights of others (Crossan, Mazutis & Seijts, 2013). Ethical decision making relates to a number of individual factors (e.g., age, gender, values, personality) and environmental factors (e.g., social, cultural, economic, organizational) (Craft, 2013; O'Fallon & Butterfield, 2005). According to Craft (2013), "personality" has received the most attention, with 43 studies focusing on locus of control, self-control, mindfulness, Machiavellian traits, attitudes, and values from the Schwartz Value Survey (e.g., Benevolence, Hedonism). Two of the studies included in the Craft (2013) literature review focused on self-enhancement and altruistic values (Fritzsche & Oz, 2007) along with empathy and narcissism/selfism (Brown et al., 2010). Fritzsche and Oz (2007) found that altruistic values related to positive ethical decisions, while egoistic values related to negative ethical decisions. Brown and colleagues (2010) found that narcissism predicted less ethical decision making, while empathy predicted more ethical decision making.

According to Grijalva and Harms (2014, p. 112), "narcissism is, by its very definition, an individual difference associated with selfish, exploitative behaviors, and is clearly valuable in our attempt to understand unethical and destructive workplace behaviors." Narcissism is one of the dark triad of personality types, along with Machiavellianism and psychopathy (Paulhus & Williams, 2002; Spain, Harms & LeBreton, 2014). The dark triad is characterized by a desire to elevate the self and harm others

(Paulhus & Williams, 2002). Narcissism, which refers to a grandiose sense of self-importance (Judge, Bono, Ilies & Gerhardt, 2006), increased between the years of 1980 and 2006 in undergraduate college students. Within the domain of narcissism lies the construct of psychological entitlement (Emmons, 1984; Morf & Rhodewalt, 2001), yet Campbell *et al.* (2004) conceptualize it independently as "a stable and pervasive sense" that one is entitled to more than others, stemming from an external frame of reference and a sense of deservingness (p. 1).

Agency theory (Jensen & Meckling, 1976; Fama, 1980) helps to explain why employees with a strong sense of entitlement may act in their own interests when making workplace decisions. Agency theory assumes that decision makers are individualistic, opportunistic, and self-serving (Davis *et al.*, 1997; Tosi *et al.*, 2003). It helps to explain why entitled decision makers may consider a reward *equitable* due to inflated perceptions of their own performance or contributions or feelings of superiority. If they recognize that their inputs are below the level of their coworkers, they may use a needs-based *equality* perspective to justify equal rewards. They may further act in their own self-interests when making a wide variety of decisions that impact themselves, others, and their organizations.

The motivations of less entitled decision-makers may be explained by stewardship theory. Under this theory, stewards protect and maximize shareholder wealth through firm performance (Tosi *et al.*, 2003). Stewards are pro-organizational and trustworthy (Davis *et al.*, 1997), which may be features more likely to be associated with less entitled individuals. In summary, we posit as follows:

Hypothesis 1: Higher levels of psychological entitlement will relate negatively to socially responsible workplace decisions.

### ETHICAL DECISIONS AND CONSCIENTIOUSNESS

Conscientiousness is a robust, broad dimension of personality, often captured within the Five Factor Model of Personality (Costa & McCrae, 1992). Extensive meta-analytic research has found the construct to be positively related to a wide variety of objective performance indices (Barrick & Mount, 1991), including task performance, overall performance (Ones, Dilchert, Viswesvaran & Judge, 2007), leadership, and leader emergence (Judge, Bono *et al.*, 2002). The construct has further been linked to outcomes related to ethical decision making, such as integrity tests (Murphy & Lee, 1994) and organizational citizenship behaviors (Borman *et al.*, 2001). Employees who are characterized as conscientious often embody desirable organizational personality characteristics, such as competence, diligence, and the desire to achieve (Costa & McCrae, 1992). Since such characteristics correspond to positive individual outcomes within organizations, individuals embodying these characteristics seem likely to be capable of making ethical decisions and exhibiting behaviors in concert with organizational goals. Furthermore, previous research finds that conscientious individuals "assign high priorities to company concerns and thus look for solutions that benefit their employers, not just themselves" (Behling, 1998).

Based on the extensive meta-analytic research cited above linking conscientiousness to leadership and performance beneficial to organizations, we propose that conscientious individuals are more likely to make socially responsible decisions within organizations and for organizations than their less conscientious counterparts. Accordingly, we posit as follows:

Hypothesis 2: Higher levels of conscientiousness will relate positively to socially responsible workplace decisions.

#### WILLINGNESS TO WORK FOR LESS PAY

However, we suspect that conscientious individuals may need to be further distinguished by preferences for altruism or egoism. It is likely that some conscientious individuals are altruistic, focusing on the societal interests, while others are more egoistic. Competent individuals could represent both patterns. Such a proposition likely helps to explain the lack of significance researchers have found between conscientiousness and altruism, egoism (Swami Chamorro-Premuzic, Snelgar, & Furnham, 2009; Kurtz & Tiegreen, 2005; Hogansen & Lanning, 2001), and five forms of organization citizenship behaviors (Konovsky & Organ, 1996). Accordingly, we offer no proposition that more conscientious individuals will be willing to work for less pay to work for a socially responsible organization than less conscientious individuals. We will test conscientiousness within our model to underscore our proposed lack of significance. Conscientious individuals might exhibit organizational citizenship behaviors in an effort to succeed and derive attention within their own organizations, yet when given a choice suggesting an immediate financial consequence, some conscientious individuals may choose the outcome benefiting them more personally.

Meta-analytic evidence suggests that one of the strongest predictors of how job applicants determine organizational attractiveness is person-organization fit (Chapman, Uggerslev, Carroll, Piasentin & Jones, 2005). One type of person-organization fit, supplementary fit, is based on whether a person perceives similarity with an organization, which may be based on a match between the person's values and the organization's values (Kristof, 1996). Certain organizational values may be particularly important to job seekers. As an example, Jones, Willness, and Madey (2014) found that corporate social performance-related values appealed to 85% of job seekers in one sample, who ranked a company with high corporate social performance (CSP) as their top choice against others, *ceteris paribus*.

Yet would job seekers retain their interest in corporate social performance if working for one company with CSP over another without CSP (assuming *ceteris paribus* in other employment conditions) resulted in less pay? Agency theory and stewardship theory support the notion that individuals with high levels of psychological entitlement would not be willing to work for less pay. Accordingly, we present the following hypotheses:

Hypothesis 3: Individuals with lower levels of psychological entitlement are more likely to consider working for a socially responsible organization despite lower pay than their counterparts.

# **METHODOLOGY**

We initially conducted a manipulation check of the two decision making vignettes that we developed to test our hypotheses (Callahan-Scully, Brownlee, Brtek, & Tosi, 2003; Tosi *et al.*, 2003). Both vignettes are detailed in the appendix. Previous research (Trevino & Youngblood, 1990) suggests the use of two opportunities to assess ethical decision making is appropriate due to the relative infrequency of facing unethical behavior.

We administered pencil and paper survey instruments for the first vignette to 25 students and the second vignette to 39 students enrolled in undergraduate and graduate business courses in a mid-sized university in the southeastern United States. Participation was voluntary and surveys were distributed during class time. The mean age of the first group of 25 respondents was 22 with 20 males, while the mean age of the second group of 39 respondents was also 22 with 25 males and 14 females.

We created vignettes likely to be encountered in the workplace, which directed respondents to make choices that varied in terms of long-term and short-term benefits to themselves and others. The vignettes additionally incorporated several contextual influences (e.g., "as other members of your team would attest" and "you and the team would definitely miss him"). As noted by Pitesa and Thau (2013), "While deciding on moral issues, employees are exposed to social influences that can impact their ethical decision making" (p. 635). Pitesa and Thau (2013) noted that some employees made decisions in concert with positive and negative social influences, while others followed their own ethical (or unethical) preferences. To capture these decisions in light of context, we included social influences (Flynn & Wiltermuth, 2010). For the first vignette, 24 of the 25 respondents identified Mike Lambert, the high performer, as the best choice for the organization overall (mean response for Mike Lambert 6.4, S.D.=.76; mean response for Bob Anderson 3.4, S.D.=1.41).

In the second vignette, we described two hypothetical organizations similar in every way except that employee pay was slightly lower in the more socially responsible organization. Respondents to vignette number two were asked to select the organization that was the "most socially responsible." For this vignette, 35 of 39 (90%) respondents identified XYZ Company as the most socially responsible company of the two choices.

In phase 2, we administered a pencil and paper survey instrument to 118 students enrolled in undergraduate and graduate business courses in a mid-size university in the southeastern United States. Students participated voluntarily and the surveys were administered during class time. The sample included 72 males and the mean age of the students was 21 with a range of 18 to 39 years. Table 1 presents the means, standard deviations, correlations, and reliability coefficients (on the diagonal) of the study variables.

Table 1 Means	Standard Deviations	Correlations	and Reliability	Coefficients
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Variable	Mean	S.D.	N	1	2	3	4	5	6	7	8	9	10	11
DiffScale	3.39	2.05	116											
ABC	4.91	1.61	117	.00										
XYZ	5.21	1.44	117	.10	46									
Entitle	3.52	1.17	118	09	.18	24	(.89)							
Extrav	3.52	0.68	118	.16	04	03	.10	(.84)						
Agreeable	3.92	0.58	118	.30	12	.13	19	.24	(.79)					
Conscient	3.73	0.59	118	.29	08	.06	04	.31	.39	(.79)				
Neurot	2.59	0.7	118	11	.00	09	.10	27	39	45	(.81)			
Open	3.71	0.54	118	.14	12	.12	02	.21*	.20	.25	26	(.75)		
Male	0.64	0.48	113	20	.16	08	02	.02	12	10	20	04		
OrgMike	6.39	0.89	118	.72	05	.10	11	.18	.29	.35	10	.23	24	
OrgBob	3	1.54	116	92	03	06	.06	10	-0.24	19	.09	06	.13	38

<sup>\*</sup> Correlations at or above .18 significant at the .05 level (2 tailed test)

Cronbach's alpha coefficients are on the diagonal, italicized and in parentheses.

Diff = Difference between choice of Mike and Bob, recoded on a scale of 1 to 9, with 1 preferring Bob over Mike to 9 representing largest preference of Mike over Bob

ABC = Higher responses indicate choice of less responsible organization

XYZ = Higher responses indicate choice of more responsible organization

Entitle = Psychological entitlement scale (slightly modified)

Extrav = Extraversion domain of the Five Factor Model

Agreeable = Agreeableness domain of the Five Factor Model

Conscient = Conscientiousness domain of the Five Factor Model

Neurot = Neuroticism domain of the Five Factor Model

Male = Male dummy variable

OrgMike = Higher responses indicate that respondent is aware of the most socially responsible decision.

 $\label{eq:orgBob} \textit{OrgBob} = \textit{Higher responses indicate that the respondent is less aware of the most socially responsible decision.}$ 

<sup>\*</sup> Correlations at or above .25 significant at the .01 level (2 tailed test)

# **PSYCHOLOGICAL ENTITLEMENT SCALE (PES)**

We used a slightly modified version of the nine-item PES (Campbell *et al.*, 2004) to assess psychological entitlement. The items were anchored by a 7 point Likert-type scale with 1=strongly disagree and 7=strongly agree. An example of an item is "I feel entitled to more of everything." We added three items to the scale to better capture of one's own deservingness *despite poor performance*. The PES construct includes items (such as "things should go my way") that may capture both hard working individuals who feel entitled to various outcomes due to their strong work ethic and their less diligent counterparts. To incorporate a facet of deservingness, we added the following three items: (1) I often receive lower grades than I deserve; (2) I deserve the same reward as my team even if I contribute less to the project than other members; and (3) I deserve higher grades than my professors usually give me. These items relate closely to the "deservingness" facet of the Academic Entitlement Scale developed by Kopp, et al. (2011), such as "certain outcomes are deserved because the student pays tuition." The Alpha coefficient for all 12 items was .86, well above the .70 level suggested as acceptable by Nunnally (1978).

To determine the underlying factor structure of the PES and the three new items, we conducted an exploratory principal axis factor analysis with oblimin rotations, since the items were likely to be highly correlated. EFA is appropriate for scale development and evaluation, particularly when scales exhibit good internal consistency (Hurley, Scandura, Schriesheim, Brannick, Seers, Vandenberg & Williams, 1997). The items all loaded on the same factor, with communalities of 45% on that factor, yet one reverse-scored item (#5) from the original PES scale was problematic, with a very low loading of .077. Loadings on the 10 other items ranged from .38 to .83. To determine whether the loadings were representative of the underlying factor, a minimum cutoff of .33 was used (Tabachnick & Fidell, 2001). Accordingly, we determined that eliminating the reverse-scored item, which likely represented bias or complacency, would best represent the modified PES scale. The KMO measure of sampling adequacy was .83, while Bartlett's test of sphericity indicated a small significance value (approx. chi²=713.18; df=66, sig.=.000). KMO values closer to 1 and small significance values (< .05) indicate that a factor analysis may be useful in examining data.

# **CONSCIENTIOUSNESS**

To assess conscientiousness, we used the validated scale of the Five Factor Model of Personality (FFM) developed by John and Srivastava (1999), which used an "I see myself as someone who" anchor for 44 items. The participants then rated the extent to which they agreed or disagreed with the statement based on a 5-point Likert-type response scale anchored by 1=strongly disagree and 5=strongly agree. Each of the five personality variables was captured in 8 to 10 items and we used the mean score of each to derive the five personality domains.

Finally, we checked for significant group differences to determine whether the predictor instruments may adversely impact individuals as a function of their race, age, or gender. ANOVA analyses indicated no significant group differences in the modified PES or conscientiousness scale for age, race, or gender. Because students were taking a variety of courses varying in level (including 14 students in a preparatory MBA course), we checked for the significance of school year in all analyses. School year was not significant, so we omitted that variable in the tests of the hypotheses.

#### **RESULTS**

To test our first and second hypotheses, we created a dependent variable using the first vignette by subtracting the most socially responsible workplace choice (Mike) from the least (Bob). Then we rescaled the variable to eliminate negative scores and zero, resulting in a variable with a range of 1 to 9. Higher scores indicated a greater preference for the most socially responsible choice. Because we found significant gender effects, we controlled for gender in the first step of the analysis, conscientiousness in the second step, and the modified PES in the third step. Table 2 below presents our results, which surprisingly did not provide support for our first hypothesis, yet did support the second. More specifically, our results found that individuals with higher levels of psychological entitlement could not be distinguished when making socially responsible workplace choices. Yet conscientious individuals were more likely to make the more socially responsible workplace decision, as predicted by hypothesis 2.

Table 2. Regression Analysis to Test Hypotheses 1 and 2

Model	Independent	F	df	Sig.	R <sup>2</sup>	Beta	T value	Sig.
1	Constant	4.59	1,109	.03	.04			
	Male					20	-2.14	.03
2	Constant	7.09	2,108	.00	.12			
	Male					18	-1.95	.05
	Conscientious					.28	3.04	.00
3	Constant	5.15	3,107	.00	.13			
	Male					18	-1.96	.05
	Conscientious					.27	3.00	.00
	Entitlement					10	-1.11	.27

Note: Dependent variable: Difference between the most socially responsible choice and the alternative

To test our third hypothesis, we used ANOVA with the choice of either the less socially responsible company (ABC) or the more socially responsible company (XYZ) as the factor and the modified PES and the male dummy variable as the dependent variables (see the Appendix for Vignette #2).

Results, summarized in Table 3, provided support for our hypothesis. Mean scores on psychological entitlement for the groups who chose the more socially responsible company were significantly lower than for their counterparts. Post hoc analyses of gender differences indicated significant mean differences for gender between choices (F=24.06; df=110,1; p < .000). Within the sample 78% of females were willing to work for less pay for a socially responsible organization, while only 33% of males made the same choice. Conscientiousness did not exhibit significance, as predicted yet not hypothesized. Post hoc analysis of the conscientiousness variable between males and females indicated insignificant variation (Female, N=41, mean=3.8, SD=.61; Male, N=72, mean=3.67, SD=.58, p=.ns)

Table 3. ANOVA to Test Hypothesis 3

Company Choice 1 = ABC 2 = XYZ		N	Mean	SD	Mean Square	Sum of Squares	df	F	Sig.
Entitlement	ABC	57	3.85	1.02	12.78		1,114	9.82	.002
	XYZ	59	3.19	1.24	1.30				
	Between groups					12.78			
	Within groups					148.40			
	Total					161.18			
Gender	ABC	57	.84	.37	4.61		1,110	24.02	.000
	Between groups	55	.44	.50		4.61			
	Within groups					21.11			
	Total					25.71			
Female	ABC	9							
	XYZ	31							
	% of Females choosi	ng less	pay to w	ork for a	more soci	ally respon	sible com	pany: 78	%
Male	ABC	48							
	XYZ	24							
	% of Males choosing	less pa	ay work fo	or a more	e socially r	esponsible	company	ı: 33%	'
Conscientious	ABC	57	3.68	.63	.28		1,114	.77	.383
	XYZ	59	3.78	.55	.35				
	Between groups					.28			
	Within groups					39.73			
	Total					40.00			

# **DISCUSSION**

Organizations of all sizes benefit from selecting high performing, ethical employees at the outset, since high performers with the capability to make good ethical decisions at all levels are likely to help organizations succeed. While widely-used personality tools such as the Five Factor Model of Personality (Costa & McCrae, 1992) offer validity in the prediction of performance by identifying conscientious and emotionally stable employees (Barrick, Mount & Judge, 2001; Ones *et al.*, 2007), they should be considered in conjunction with assessments of attitudes, such as entitlement, and ethical decision making.

Results from the present study provide partial support for our hypothesized model of the relationships between psychological entitlement, conscientiousness, and socially responsible workplace decisions. Specifically, results indicate that conscientiousness relates positively with the more socially responsible workplace decision, while psychological entitlement does not significantly relate. Yet conscientiousness does not distinguish individuals when the choice involves working for less pay. Our findings support previous research cited above that identified a lack of significance between conscientiousness and egoism or altruism. In contrast, the decision to work for less pay to work for a socially responsible organization negatively relates to psychological entitlement. This finding confirms the notion that entitled individuals may feel what Campbell and colleagues (2004) note is a pervasive sense that they are more deserving of various outcomes than others.

Ethical decision making and ethical business practices are important to people working in both large and small businesses (Zulkifli & Amran, 2006; Ahmad & Ramayah, 2012). Indeed, in one study of 5,000 managers and employees from firms of all sizes over three decades, respondents from small businesses varied little from those in large businesses in their ethical values (Longenecker, Moore, Petty, Palich & McKinney, 2006). Furthermore, over this same time frame of 1985 to 2001, the authors found that ethical standards trended *upward* over time, perhaps attributable to public scrutiny of several well-publicized ethical business failures. As noted by Traiser and Eighmy (2011), "businesses try to increase their odds of hiring ethical people through recruitment practices, screening, and evaluation of potential employees" (p. 325). Yet despite the need and desire to hire ethical individuals, small businesses may be more challenged than their larger counterparts in doing so. Small businesses may be constrained by less time, fewer resources, and less developed hiring processes, ethical climates, and ethical codes of conduct (Marta, Singhapakdi & Kraft, 2008) than their larger counterparts.

The present study offers several important findings for organizations seeking to identify and hire ethical employees. First, employees with high levels of conscientiousness are more likely to make ethical decisions that benefit their organizations. Secondly, employees with high levels of entitlement are less likely to choose to work for socially responsible organizations if the choice will result in less pay. Finally, organizations have little reason not to use personality and attitudinal assessments when determining whether job applicants are a good fit, particularly those that value socially responsible workplace decisions. Validated personality assessments are accessible on the internet, often at little or no cost to users.

# **IMPLICATIONS FOR SMALL BUSINESSES**

Entrepreneurship Magazine recently presented dilemma the а to **Ethics** Coach, Gael O'Brien (2014) in which a small business owner lamented that she did not have the resources to use the personality tests that large organizations use to weed out dishonest job applicants. Ms. O'Brien responded that the owner should use a mix of employees in the hiring process, ensuring that the mix included those who were well-versed on the vision for the organization's culture. Yet Ms. O'Brien disclosed that including multiple interviewers in the process could be time-consuming. Identifying ways of streamlining the interview process to effectively reduce the applicant pool may therefore be important.

Furthermore, small businesses must attend to issues of compliance. As an example, within the United States, organizations with fifteen or more employees are subject to Title VII of the Civil Rights Act of 1964 (Title VII) and the Americans with Disabilities Act (ADA), while those with twenty or more employees are subject to the Age Discrimination in Employment Act (ADEA). Title VII prohibits discrimination at all steps of the hiring process based on race, religion, color, national origin, or gender. The ADA prohibits discrimination based on recognized and reported disabilities, while the ADEA

prohibits discrimination against workers at forty years of age or older. Small business owners and managers interested in protecting themselves from discrimination lawsuits based on the choices they have made in the employee selection process may benefit from inexpensive, yet validated selection tools, which are those that relate to relevant aspects of an employee's performance. The present study offers additional evidence of validity for such tools.

Accordingly, we offer two suggestions based on the results of the present study for small business owners and managers. Our first suggestion is that employers consider the validated selection tools such as those identified in this study, which are available on the internet or in academic libraries and referenced below (Campbell *et al.*, 2004; John & Srivastava, 1999). A second suggestion is to develop situational interview questions for job applicants based on a variety of ethical scenarios, such as those developed in the present study or in other similar studies (Reidenbach & Robin, 1990).

### LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

While the results of the present study serve to stimulate both theory and practice, a few limitations should be acknowledged. The most important limitation relates to the size and characteristics of the survey population. While we collected data using separate sets of respondents for the vignettes and hypotheses testing, the overall sample size was relatively small and based on responses from a student population of a single university. Future studies should gather responses from a greater number and wider variety of respondents from multiple locations for generalizability purposes.

A second limitation relates to the likelihood that other factors aside from the PES and conscientiousness relate to socially responsible workplace decisions. Future research should consider a wider variety of individual, personal, and situational characteristics that may relate to such decisions. Future studies could also identify additional dilemmas for applications within workplaces.

Though our findings and previous research (Valentine & Rittenburg, 2007; Beu, Singhapakdi, & Kraft, 2002) provide evidence that women may make more ethical decisions than men in two situations, organizations should be cautioned prior to interpreting the results, given the sample size from which the data were collected. Further, situational characteristics, age, tenure, education, experience, and level within an organization are likely to additionally play a role and may mitigate the effects of gender. Future studies should investigate respondents of varying demographics to control for these factors.

Despite these limitations, this research contributes to the literature that identifies characteristics of employees more likely to make socially responsible workplace decisions. Such findings may be helpful to hiring managers in a small business setting. Human resource practices in small and medium-size firms are often limited so any additional guidance may lead to better hiring decisions.

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#### **APPENDIX**

# Vignette #1:

You are leading a very successful work team that conducts research to solve scientific problems. Since your team has been so successful, the CEO of your company has asked you to nominate one member from your work team to serve as the head of a new research work team, which will work out of a different office in another state. The other individuals in the new team have already been selected and represent a variety of research specializations.

As other members of your team would attest, the best person for the promotion is Mike Lambert. Mike graduated from the Harvard School of Business and holds a second degree in engineering from one of the best engineering schools in the United States. He is the informal team leader and has contributed substantially to a number of successful product innovations. If you choose Mike for the promotion, you and the team would definitely miss him but you are sure he would excel in the new position.

A second possibility is the son of the CEO, Bob Anderson. Bob is a graduate of engineering from a regionally-recognized university and is also a contributor of valuable ideas to the team, yet Bob has been sort of a pain. He complains often and frequently reminds others of the fact that he is the CEO's son and can be difficult to work with. You wouldn't miss him much if you chose him to head up the new work team.

For each of the following candidates, rate the extent to which you think he would be the best choice for the overall ORGANIZATION (circle one number for each candidate):

	Worst Choice for Overall			fect on		Best Choice for Overall			
	ORGANIZATION		Overall ORGANIZATION			ORGAI	ORGANIZATION		
Mike Lambert	1	2	3	4	5	6	7		
<b>Bob Anderson</b>	1	2	3	4	5	6	7		

# Vignette #2:

You just finished interviewing for two very similar large, successful organizations located in the same region of the country. Both organizations are in the pharmaceutical industry and you would be performing your dream job within each if you accepted their offer. The main difference is in the pay: ABC organization is offering you \$75,000 and full benefits, along with immediately exercisable company stock valued at \$10,000. XYZ organization if offering you \$72,000 and full benefits, along with immediately exercisable company stock valued at \$8,000. XYZ is also considered a very socially responsible company that contributes a portion of its proceeds to various charities around the world, offers multiple opportunities for employee volunteerism, and is recognized as a world leader in ecofriendly initiatives.

Please indicate the degree to which you agree with the following statements:

Based on	the information	n provided above	e, ABC is the bes	t choice for me.		
Strongly	disagree		Neutral		Strongly agre	ee
1	2	3	4	5	6	7
Based on	the information	n provided above	e, XYZ is the best	choice for me.		
Strongly	disagree		Neutral		Strongly agre	ee
1	2	3	4	5	6	7
Which co	mpany's contra	ct would you sig	n?			
ABC						
XYZ						