Influence of Personality Traits on Ethical Decision Making of Officers in Government Service Managerial Positions – A Concept Paper

Iresha Nilmini Weerasekara
Faculty of Graduate Studies, University of Kelaniya, Sri Lanka
Email: iweerasekara@icloud.com

ABSTRACT

Different Personality Traits have an immense impact on how leaders perform and grow, to make decisions for positive organizational outcomes. According to a statement from Lussier and Achua, they stated that effective leaders are not simply born or made. They are born with some leadership ability and develop it (Lussier and Achua, 2013). So always the inborn characteristics and Personality traits has an impact on decision makings. The purpose of this concept paper is to investigate the impact of leadership styles on ethical decision making special reference to executive officers in the government service Sri Lanka. In corporate context the dynamics of these two entities „the leader” and „the led” play a key role in shaping the destiny of the organization.

Keywords: Leadership; Personality Traits; Decision making; Ethics

1 INTRODUCTION

LEADERSHIP is something that is very important in an organization which is not limited to groups and associations but also very important in the country’s administrative system. A person who has a role as a leader should have a strong endurance physically, mentally and emotionally. But it should be noted, a leader must be visionary and dedicated in position of trust as a leader and should have skills in administration and management to ensure the organization can lead to success.

In various academic disciplines personality traits are been focused due to its’ mediating characteristics. In psychological researches, personality has been analyzed in a more complicated manner. The definition of personality can be complex, and the way it is defined can influence how it is understood and measured. According to the researchers personality is “the coherent pattern of affect, cognition, and desires (goals) as they lead to behavior” (Revelle, 2013). In the words of the American Psychological Association (APA), personality is “individual differences in characteristic patterns of thinking, feeling, and behaving” (APA, 2017).

Although a few studies have investigated the distinctive personality traits of managers, there are several research which have been done to identify mangers’ personality profiles. Lucy W. Gibson, James M. Loveland and Adam W. Drost (2016) has empirically compared managers with employees in other occupations on Big Five and narrow personality traits. The findings shows that a distinctive personality profile for managers clarifies the occupational identity of managers, which contributes to public and professional understanding of managers and their roles. Ethical decision making always goes hand in hand with the moral aspect. Always a moral issue is present where a person’s actions are performed freely that may harm or benefit others (Thomas 1991). In other words, the action or decision have consequences for others and it involves choice, or desire, on the part of the actor or decision maker. Although the costs of certain choices may be high, decisions frequently have some consequences for others and desire is almost always present. Briefly, many decisions are moral decisions simply because they have a moral component.

Further, an ethical decision is defined as a decision that is both legal and morally acceptable to the larger community. On the other hand, an unethical decision is either illegal or morally unacceptable to the larger community.

Researchers discovered a link between an individual’s personal values and decisions made (Allport, Vernon, & Lindzey, 1960; Beyer, 1981) as well as actions taken (House, Hanges, Javidan, Dorfman, & Gupta, 2004; Posner, 2010). Simply, why people decide to act the way they do is often influenced by their specific values. When applied to business ethics, researchers found that certain personal values create an ethical orientation that influences or promotes ethical behavior or, conversely, leads to unethical behavior (Argandona, 2003) and are connected to selected behavior in real-life situations. Turning to a business context, Gehman, Treviño, and Garud (2013) advance the notion of values practices, where values are recognized for their critical role in organizational performance and add a dimension to behavior in business.

Sri Lankan government service executive officers have been doing a great role in the public services and they always been considered a noble among the community. So their leadership role must be exist and available at all level specially when taking ethical decisions in public matters. Therefore, they need to equip themselves with various skills meantime their inborn characteristics and personality traits are playing a huge role in their decision makings.
2 PURPOSE AND MOTIVATION TO THE STUDY

2.1 Purpose of the study
In light of limited literature available, it is expressed that the ethical decision making is dependent on the value of the trait in influencing the decision of the individual (Block, 2010). Adequate room is available to ascertain the effect that the trait brings with respect to the choices made.

The challenge for managers and leaders is to illustrate the ethical behavior and to be accountable to their superiors and to the public for their decision choices (Navran, 1997). Empirical studies also support a decline in ethical behavior in institutions, particularly business organizations. Researches which took place in the last twenty years have discussed on encouragement of ethical climates via ethical decision making in organizations. The focus of research to date has been on understanding what factors influence the ethical behavior of organizational members. It has moved from specific studies evaluating individual or situational variables as factors in ethical decision behavior to more complex models that incorporate the interaction of individual and situational factors.

It is observed that although there are plenty of researches on the relationship between personality traits of managers and their decision making styles, less number of researches found on the influence of personality on ethicality of the decisions taken. Therefore this study will be a weighty contribution for the prevailing literature. Further, this study is very significant for government service executive officers who involving in leadership and decision making process. Furthermore, it is hoped that this study will benefit as a reference to the Sri Lankan government in particular government service for clear understanding on the perception of executive officers towards their decision making patterns.

2.2 Objectives of the study
The objectives of the study are to identify the relationship between the personality traits of managers and their ethical decision making in Sri Lankan government service. Further the study will examine whether there is any influence from demographic factors and the organizational culture effect on the ethicality of the decisions made by managers.

2.3 Methodology
The deductive approach is used in developing this concept paper. The theories associate with the personality traits and ethical decision making were examined and the journal articles were used as study tools. Therefore the study mainly based on secondary data.

3 REVIEW ON PERSONALITY TRAITS
The most prevalent personality framework is the “Big Five,” or the five-factor model of personality. Not only does this theory of personality apply in multiple countries and cultures around the world (Schmitt et al., 2007), there is a valid and reliable assessment scale for measuring the five factors. The Big Five personality traits (conscientiousness, openness to experience, extroversion, agreeableness, and neuroticism/psychoticism) have been examined and studied consistently since Norman (1963) developed the initial markers of the Big Five traits. Goldberg (1992) refined the model for defining the traits that comprise an individual’s personality and modified the markers with descriptive criteria that are widely used in research today. The basic markers of components of personalities are based on conscientiousness, agreeableness, emotional stability (neuroticism), intellect (openness to experience), and extroversion. This “Big Five” model has been validated in many settings, and has well-established construct content (De Raad, 2000).

This model has also been identified as a predictive tool for the expected behavior of an individual in many researches. Peter H. Langford and Cameron B. Dougall (2016) has provided evidence for a “leadership big five”, a model of leadership behavior integrating existing theories of leadership and conceptually aligned with the most established model of personality, the big five. According to Langford and Dougall (2016) such a model provides researchers and practitioners with a common language to describe leadership behavior in a field with a plethora of leadership models. The model also describes a wider range of leadership behavior than other models of leadership, and presents dimensions that correlate with important organizational aspects. Further this study provides evidence that leadership can be described in a structurally similar way to human personality. Hence, the big five elements are often considered to be a common language when it comes to describing the personality of individuals given that the probability of researcher agreeing over personality aspects is very high.

In a study conducted among 516 students of Zahedan Branch of Islamic Azad University to investigate the relationship among personality traits and decision making it has identified that there are significant negative relationships among extraversion, openness, agreeableness, and decision-making style. Also a significant positive relationship has been found between neuroticism and decision-making style. Further, the findings showed that there is not any significant relationship between consciousness and decision-making style. Moreover in this study, the researcher has examined which of personality traits are more important than others in predicting decision-making styles. The results of regression model revealed that agreeableness, openness, and neuroticism are the main personality traits that predicting decision making styles. (Zahra and Farhad, 2015)

4 ETHICAL DECISION MAKING AND A REVIEW ON GOVERNMENT SECTOR MANAGERS
It can be found that an increased societal focus on ethics in organizations. Despite this increased attention to ethics in organizations, theoretical and empirical examinations of ethical decision making in organizations are in relatively short supply. The reasons for the scarcity of theoretical and empirical work in ethics is because that few scholars are interested in both ethics and organizational behavior and decision making. The models that have emerged are the products of scholars in psychology or psychology-based disciplines, including organizational behavior and marketing. In addition, organizational scholars may be reluctant to study value-based issues because
of conceptual reasons or methodological problems are considered difficult to overcome.

There are several models examine the moral aspect of decision making. One of the mostly adapted model is Four Component Model of Morality, developed by James Rest (1983) and further developed and applied by Rest and Darcia Narvaez (1995) and by Muriel Bebeau (2006), among others. They address the ways that moral behavior occurs, and allows for conceptualization of successful moral functioning and the capacities it requires. As per this model there are four integrated abilities: Moral sensitivity focuses on the ability to identify and discern problematic situations with ethical dimensions. Moral judgment requires the person move beyond recognizing that ethical dimensions are present in a given situation to explore which line of action is morally justified. Moral motivation and commitment involves prioritization of values. Moral character and competence acknowledges that sensitivity, judgment and prioritization of moral values must lead to moral character and competence, or moral behavior will fail. Moral character and competence is “having the strength of your convictions, having courage, persisting, overcoming distractions and obstacles, having implementing skills, and having ego strength” (Nucci and Narvaez, 2008).

Crossan, Mazutis, and Sejits (2013) has introduced an integrated ethical decision-making (EDM) model, while the importance of developing an integrated EDM model has been widely recognized. The model includes the steps decision makers must consider with respect to personal values and/or their beliefs about the ethical principles of autonomy, awareness, beneficence, justice, and judgment. Ethical decision making is a process constituted in all the stages an individual has to go through from the moment a moral problem arises until he or she engages in a given behavior.

In organizations decision making is vested to the managerial level of employees. Hence, ethical leadership is an important aspect in ethical decision making. Researchers have begun to consider ethical leadership as a separate leadership style in itself rather than focusing only on the ethical elements of other leadership styles (e.g., transformational, authentic and servant leadership) (Brown et al., 2005; Kalshoven et al., 2011; Yukl et al., 2011), empirically distinguished various dimensions of ethical leadership, such as character and integrity, altruism, motivating, encouraging and empowering. Kalshoven et al. (2011) identified similar dimensions, namely fairness, integrity, people orientation, role clarification, ethical guidance and power sharing. In line with these dimensions, Eisenbeiss (2012) identified a humane orientation and a justice orientation of ethical leadership.

The definition of ethical leadership by Brown et al. (2005) is widely used in the literature. Based on a qualitative study, Brown et al. (2005) defined ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making”. The first part of this definition relates to the “moral person” aspect of ethical leadership and the second part to the “moral manager” aspect (Brown and Trevino, 2006). Leaders embracing the moral person perspective value, integrity, trustworthy, caring, honest and fair. The moral manager or “ethical leadership” facet proactively manages morality, and it refers to a leader’s efforts to influence subordinates and guide their ethical behavior, such as communicating ethical standards and disciplining employees who demonstrate unethical behaviors. These behaviors further include making fair and principled decisions, acting as role models for ethical conduct and recognizing and rewarding ethical behavior. Mayer et al. (2012) consider the moral manager facet as most unique to the ethical leadership construct.

The study conducted by Amos et al (2016) on integrity, ethical leadership, trust and work engagement offers valuable insights about the consequences of ethical leadership. It proposes some limitations need to be considered for the purpose of providing information on how future studies can be improved and extended.

Most ethicists are in the view that the scientific method used in human problem solving is not equal to the method used in ethical decision making. However, both methods are multi-stage, organized and reasoned methods of collecting, assessing and appraising evidence to a complete conclusion. It has been argued that no existing framework is robust enough to explain the complexity of the human ethical decision-making process (Craft, J., 2013). According to Four Component Model of moral functioning, Moral sensitivity focuses on the ability to identify and discern problematic situations with ethical dimensions. Moral judgment requires the person move beyond recognizing that ethical dimensions are present in a given situation to explore which line of action is morally justified. Moral motivation and commitment involves prioritization of values – moral values are prioritized over other personal values and Moral character and competence acknowledges that sensitivity, judgment and prioritization of moral values must lead to moral character and competence, or moral behavior will fail. (Rest, 1986). As suggested by Rest the moral inspiration influences moral action directly and in interaction with the other mechanisms of the moral system. Research in moral psychology has focused on understanding what factors assist in the development of moral action and decision making. Personality factors facilitating moral judgment have also receive attention in recent years (Kerr, 2007). However, the extent to which personality traits can be used to predict an individual’s way of decision making is a matter that is still open to discussion.

From an online survey of 114 participating accountants at staff, senior staff, and supervisor levels from a top-100 U.S. accounting firm, the effects of the Big Five personality traits (Conscientiousness, Agreeableness, Neuroticism, and Openness) has been investigated on the ethical decision-making process of accountants (Shahriar M. Saadullah, Charles D. Bailey, 2014). It has found clear positive statistical effects of Conscientiousness and Openness.

Generally Ethical decision-making refers to the process of evaluating and choosing among alternatives in a manner consistent with ethical principles. In making ethical decisions, it is necessary to perceive and eliminate unethical options and select the best ethical alternative. As per the Josephson Institute of Ethics the process of making ethical decisions requires Commitment (The desire to do the right thing regardless of the cost), Consciouosity (The awareness to act consistently
and apply moral convictions to daily behavior) and Competency (the ability to collect and evaluate information, develop alternatives, and foresee potential consequences and risks). Good decisions are both ethical and effective. Ethical decisions generate and sustain trust; demonstrate respect, responsibility, fairness and caring; and are consistent with good citizenship. These behaviors provide a foundation for making better decisions by setting the ground rules for leaders’ behavior. Effective decisions are effective if they accomplish what is wanted to be accomplished and if they achieve the purpose of the decision maker. A choice that produces unintended and undesirable results is ineffective. The key to making effective decisions is concerning about choices in terms of the ability to accomplish most important goals.

5 MEDIATING INFLUENCE OF ORGANIZATIONAL CONTEXT

Ethical decision making refers to the decisions people make which have the potential to impact others and to which field-specific standards of conduct apply. Understanding environmental influences on those decisions is also an important aspect in the studies of ethical decision making parallel to the psychological aspect.

It is discussed that the organizational context makes a difference for the personality factors that influence the ethicality of leader decision making. For example extroversion appears to be more influential in highly social and active work environments, whereas conscientiousness has greater salience in academic and business settings (Paul T. Bartone et al, 2009). Generally, managers develop psychological contracts (PCs) with staff as part of their people management responsibilities. A second-stage mediated moderation model explains how a manager’s personality influences the content and fulfillment of PCs in different organizational contexts. This has been explained in “the manager as employer agent, the role of manager personality and organizational context in psychological contracts” Isabel(2016). There may be possible to identify unique personality-PC patterns that reflect organizations’ underlying cultural values.

The examination of ethical behavior in organizational contexts has merited considerable interest in the past two decades from researchers and practitioners alike. However, the theories and frameworks proposed have failed to clearly integrate decision-making components and intervenent across levels of analysis, and to provide a consistently employable definition of what constitutes ethical behavior in business practice.

William et al (2010) has hypothesized, certain dimensions of ethical culture had highly significant effects on intentions to engage in aggressive tax minimization strategies. Cultures characterized by strong ethical norms and incentives for ethical behavior significantly reduced the reported likelihood of engaging in unethical behavior in a high moral intensity case. In a low moral intensity case, intentions to engage in questionable behavior were significantly higher when participants felt that top managers in their firm were unethical and rewarded unethical behavior. Contingency judgments emerged as the strongest determinant of behavioral intentions across both cases. Participants also appeared highly sensitive to questions regarding what is traditionally or culturally acceptable in Chinese tax practice.

As mentioned previously, the impact of the organizational environment on decision processes draws support from theoretical models of ethical decision making in organizations, most of which explicitly acknowledge the importance of organizational influences (Hunt and Vitell, 1991). Trevis (1990) conceptualizes ethical culture as “a complex interplay of formal and informal systems that can support either ethical or unethical organizational behavior.” Formal ethical systems embrace factors such as organizational policies, authority structures, and reward systems, while informal systems include factors such as peer behavior and perceived organizational norms and expectations. Citing Kopelman et al. (1990), Trevis et al. (1998) make the distinction between two basic approaches to the study of ethical context in organizations: the phenomenal, which focuses on “observable behaviors and artifacts”, and the ideational, in which the emphasis is on “underlying shared meanings, symbols, and values”. Trevis’ (1990) conceptualization of ethical culture “emphasizes the phenomenal level of culture the more conscious, overt, and observable manifestations of culture such as structures, systems, and organizational practices, rather than the deeper structure of values and assumptions” (Trevis et al., 1998). This emphasis is evident when one reviews the items included in the ethical culture questionnaire developed by Trevis et al. (1998). The items address issues such as the role of top management as models of ethical behavior, organizational rewards for ethical behavior, discipline or punishment for unethical behavior, and expectations of obedience to authority.

The role and influence of organizational ethical culture in public firms, with its emphasis on phenomena such as systems of organizational rewards (punishment) for ethical (unethical) behavior and expectations of obedience to authority, is clearly worthy of examination. Prior research on the linkage between ethical context and decision making has focused primarily on the effects of the perceived context on the likelihood of unethical or dysfunctional behavior rather than ethical judgments. Based on their meta-analysis of research on ethical climate, Martin and Cullen (2006) conclude that certain dimensions of the perceived climate significantly affect the likelihood of unethical or dysfunctional behavior, organizational commitment, job satisfaction, and psychological well-being. However, their model did not include a linkage between ethical climate and morality judgments. Trevis et al. (1998) also emphasize the effects of ethical context on behavior, suggesting that the perceived ethical context essentially defines what is considered legitimate or acceptable within the organization.

The situational approach states that situational aspects such as the organization’s reward system, peer influence, the influence of superiors, or organizational norms have a demonstrable effect on the ethical decision behavior of individuals (Trevis and Youngblood, 1990). The most complex models of the ethical decision-making process take an interactive perspective in understanding ethical behavior. This approach takes the viewpoint that ethical decision making results from an interaction between the individual and the situation (Trevis and Youngblood, 1990).

Based on the review of research on ethical climate, Martin and
Cullen (2006) also conclude that the external organizational context (e.g. social norms or culture) is an important antecedent of the perceived ethical climate. However, the lack of support for differences in perceived ethical climates in the Shafer (2008, 2009) studies raises doubts regarding the legitimacy of these arguments, and also leaves a basis for hypothesizing a link between firm type and ethical decisions.

In a study conducted to identify whether organizational culture affects leadership has found that dominance of different types of cultures in an organization implies different styles of leadership. Empirical research encompassed a sample of 16 companies (423 employees) in Montenegro where respondents answered the survey questions. The research findings has showed that different types of organizational culture, depending on their content, imply different styles of leadership. (Nickevic, 2016)

6 MODERATING EFFECT OF DEMOGRAPHIC FACTORS

Moral agency, or the choice to engage in a particular course of action given an ethical dilemma, has been presented in the extant literature as an individual level phenomenon. This assumption led a number of researchers to investigate the antecedents of ethical decision making from the standpoint of individual differences. Gender, age, and work experience are amidst the most frequently examined variables (Forte, 2004; McDevitt et al., 2007; Valentine and Rittenburg, 2007).

The role of gender in ethical perceptions is well established (Franke et al., 1997). Studies suggested that ethical business practices would be significantly affected by the increasing participation of women in the workforce. Compared with overall activity rates, women are over-represented in agricultural sector while comparing to the male working population (which employ 30% of the Sri Lanka’s working women population) and hand in hand in industries and service sectors (27.2% and 47.5% respectively). Women form around 60% in middle management and senior management, according to Sri Lanka Census and Statistics Department publications.

The increasing female labor force, has many implications for organizational ethics. With women comprising over 37% of the labor force, the question arises whether a change in the ethical climate will occur, as women increasingly take on management and leadership roles. The major focus of the individual approach has been identifying characteristics of the moral individual. Studies emphasizing individual factors influencing ethical decision making have shown a number of variables to be significant determinants of ethical or unethical behavior. The general perception is, and has been, that women are more ethical than men, but researchers who have examined gender effects within the context of ethical decision making have found conflicting results. Some studies support females as being the more ethical decision makers, while others found similar ethical choice behavior in both men and women.

In a study that compared the differences in cognitive frameworks used by business managers in Hong Kong, Malaysia, New Zealand and Canada, the most salient cognitive frameworks were identified as self-interest; neutralization; justice; and categorical imperative (McDonald and Pak, 1996). The results of that study showed basically no major difference in the cognitive frameworks used by male and female managers.

7 DISCUSSION AND FURTHER RESEARCH AREAS

As per the available literature it can be identified that personality traits by way another influence the decisions taken by managers whether it is a private company or government organization. Most of the researchers has pointed out that there are significant negative relationships among three components of the big five personality traits namely, extraversion, openness, agreeableness, and decision-making style. Also a significant positive relationship has been figured between neuroticism and decision-making style. Further, the findings shows that there is not any significant relationship between consciousness and decision-making style.

With regards to the ethicality of the decisions made, in the framework of Rest’s (1986) Four-Component Model of Ethical Behavior, the researchers’ has focused on the formation of an intention to act upon one’s best ethical judgment. They have found clear positive statistical effects of Conscientiousness and Openness. These findings have implications for the human resource departments of accounting firms, as well as contributing to a basic understanding of the relationships between Big Five personality factors and ethical intention.

Ethical culture Concepts such as organizational ethical culture and ethical climate have been influential in the management and business ethics literature over the last two decades. These concepts derive from the general constructs of organizational culture or climate. The collective results of many empirical studies also strongly suggest that employees’ perceptions of the ethical context in their organization influence the likelihood of dysfunctional or unethical behavior as well as affective outcomes such as organizational commitment and job satisfaction. What cannot be clearly seen from these studies and what still needs to be explored is whether the organizational culture, in addition to direct has also indirect or moderating influence on leadership? This refers primarily to the possibility that organizational culture affects some of other leadership factors thus affecting leadership itself.

Although some researches show that female managers make more ethical decisions than males, majority suggests that there is no significance difference in both at decisions taken with respect to the ethicality.

REFERENCES


[29] The Role of Personality in Leadership: Five Factor Personality Traits and Ethical Leadership Günter Kaya Özbay, MS Josephson, W Hanson - 2002 Making ethical decisions - store.charactercounts.org
