Comparisons of Behavioral Integrity between Seasoned Managers and Business Students: Using Scenarios as Social Contracts

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Abstract

Behavioral integrity, the consistency of an individual's words and deeds, could be regarded as a basic element of trust and thus an important factor of effective leadership. However, this consistency is subjected to conflicting demands under various surroundings. We apply scenarios designating social contract settings to understand behavioral integrity differences between seasoned managers and college business students. The result reveals that managers process higher behavioral integrity than the students exhibited. We propose that an individual's awareness of immediate surroundings and experiences in social contracting process strengthened one's behavioral integrity. It is advisable that business schools recognize this social contracting process and provide students with more concrete, real-life lessons.

Keywords: behavioral integrity, scenarios, Integrative Social Contracts Theory, business students, managers, social contract

1. Introduction

Integrity is a virtue. Mcfall maintained, "A person of integrity is willing to bear the consequences of his convictions (p.9) [6]." The consistency of a person's words and actions is a major component of a person's integrity. This alignment between a person's words and deeds is characterized as "Behavior Integrity." In the business world, integrity for leaders is essential. People value promises and consider integrity to be a virtue and a component of effective leadership (e.g., [8], [10], [12]). In addition, it is vital, even profitable to keep promises (e.g., [13], [14]). Nevertheless, most people believe that students are naïve whereas managers are more sophisticated. Thus, when facing integrity challenges in business settings, students could be inflexible and would hold onto what they believed, while managers could be more adaptable and more willing to adjust their behavior. We propose that an individual's awareness of immediate surroundings and experiences in the socialization process within relevant contexts strengthen his behavioral integrity, if the surrounding

environment is healthy. Through a social contract perspective, we explore if divergence of behavioral patterns exist between these two groups. We ran a comparison of word-action alignment in business scenarios between the younger generation business majors and the seasoned managers for a preliminary illustration. However, there are still large gaps between the "shoulds" and the "woulds." When facing ethical or moral dilemmas, a person's integrity is challenged. Does one make arbitrary decisions? We assume that rational persons do "rational" things. They make judgments for conscious or unconscious reasons. Judgments driven by the survival instinct or self-interest would be the first to be made. In this study, we first examined the theoretical backgrounds for the building blocks of integrity. Following this train of thought, we conducted a study to clarify if the impact really exists and to find the direction of the socialization process on behavioral integrity derived from social contracts.

2.   Social Contracts and Pursuing Integrity

Assuming a more practical viewpoint, Simons focused on the perceived alignment of words and deeds [13], and his line of reasoning first pursued the merits of integrity that led to trust and other performance boosts, which were certainly valuable in the business world [5]. Donaldson and Dunfee attempted to do so from a more comprehensive perspective by introducing the Integrative Social Contracts Theory (ISCT) [4]. Instead of starting from an individual's judgment processes, the ISCT started by considering the interactions and interventions of the individual's surroundings. That is, the ISCT first discussed the social context and then considered individuals. Donaldson and Dunfee described the immediate surroundings of an individual as "microsocial" and the broader, outer parts as "macrosocial." Therefore, within different levels of social surroundings, different codes of actions were developed. We may call these codes guidance, norms, cultures, or use the term employed by Donaldson and Dunfee—social contracts [4]. The central argument of the ISCT is that there is no absolute set of guidelines that suit every situation in all circumstances. Conflicts and dilemmas exist in complex groups and social interactions.

The conception of social contract has been evolving and expanding which entails the idea of reciprocal moves between individuals and their societal surroundings. We turn to the perspective of social contract after introducing the ISCT for the reason that we believe a broad concept of social contract whatever in the variations of social exchange (e.g., [3]), social learning (e.g., [1]), or contractarianism (e.g., [15]), is sufficient in acting toward our behavioral integrity studies. We maintain that social contracts have layers. That is, social contract-making is a process, moving from

individuals' immediate surroundings through layers of group, organization, society, culture, and finally the core of human natures. In this part we are in accord with the essence of ISCT, which is so valuable and concise. Therefore, an individual's choice of action is first influenced by one's immediate environment—group norms, followed by organizational code of actions, and then under societal and cultural pressures. The closer the milieu to an individual, the more intense the impact is on one's behavior. In extreme cases, group pressure could forces an individual perform any behavior regardless what they believe, which becomes an issue of conformity and a direct challenge to one's behavior integrity (e.g., [7]).

This present study aims to illustrate this notion by looking at behavioral integrity challengers from the perspective of social contract. We introduced scenarios in business settings to our participant managers and students and investigated their responses for consistency of their word and actions.

3. Business Scenario Comparisons

Participants

We classified our participants into two major groups: a total of 201 manager respondents came from different industries, and the size of their companies also varied. The 152 student samples came from a major university in southern Taiwan, all in business major. Table 1 specifies the demographic distributions of these two groups, including age, marital status, work experience, managerial rank/position, and gender. We only recorded full-time work performed by managers. Students thus had an average of 0.9 years of work experience. Alternatively, for the managers, they possessed an average of 9.7 years work experience.

Table 1: Demographic breakdown

	Students		Managers	
	Mean	S.D	Mean	S.D
Age (years)	21.4	1.1	35.7	7.8
Work experience (years)	0.9	1.0	9.7	6.9
Managerial position	0		178	
Married	1		117	
Male/Female	48/104		149/52	

Students: 152   Managers: 201   Total: 353

Materials and Measurement

We conducted a questionnaire with two scenarios measuring the consistency between words and actions as well as dilemmas in promises. Each scenario was presented with a short introduction. This is followed by a set of identified "promises" embedded in each of the scenario and the ideal action choice that represent the most consistent word deed was developed through the use of Delphi Method. We were able to compare behavioral integrity differences between seasoned managers and business students. For example, the scenarios encompassed a house broker, and a small business executive. We provided these variations not only to mimic real-life situations and think from different angles but also to present more vivid and interesting stories that would ensure that our respondents were engaged. We mixed people with designations that were regarded as "higher" figures on the corporate ladder, such as executives, with people having "lower" or "flatter" ranks, such as a house broker.

Scenarios are arranged in a way that the stories themselves contain the "promises" which are clearly manifested in the content or are unwritten yet commonly shared general beliefs. The "actions" according to the promises made in the scenarios are placed within the four choices. Participants can thus identify their responses and future moves. In other words, we would like to rate each respondent's behavioral integrity by evaluating the alignment of a person's words and deeds.

In Scenario One (House Broker), it is the action choice D, remunerating the difference, that represents the most integrated move that shows an individual's consistency of words and deeds. In Scenario Two (Job Promotion), action A, granting the promotion to whoever, is the highest in our behavioral integrity ratings. The responses were then analyzed. Specifically, we are looking for the norms within the business student group as well as the norms within the managers' group.

4. Findings

Clear patterns did exist and the differences were more apparent than the similarities. Employing Chi-square Goodness of Fit Tests, we found statistically significant results for managers choosing different items among the four action choices within each scenario. Explicitly, it was distinguishable that each action choice manifested different intentions for the manager participants. The same distinction held true in the business student group. A Test of Homogeneity of Proportions followed in order to compare the two groups. We found that in scenarios one, and two, managers demonstrated their behavioral integrity by "correctly" choosing the most integrated answers whereas the business students did not. Table 2 shows the results of the Chi-square Goodness of Fit Tests for each scenario and Table 3 provides the breakdowns of differences of each scenario.

Table 2: Distinction test of participants choosing different actions within scenario

	MANAGER	
Scenario	House Broker	Job Promotion
Chi-square	92.77	96.99
DF	3	3
Sig.	0.000*	0.000*

$^*p< .05$

	STUDENT	
Scenario	House Broker	Job Promotion
Chi-square	26.26	55.53
DF	3	3
Sig.	0.000*	0.000*

$^*p< .05$

Table 3 Comparison of action choices between seasoned managers and business students

Action Choices		House Broker			Job Promotion		
		Manager	Student	Integrity Rank[a]	Manager	Student	Integrity Rank[a]
1	Counts	7	11		106	49	
	%	3.5%	7.2%	L	**52.7%** [b]	32.2%	**H**[*]
	Residual	-1.6	1.6		3.8	-3.8	
2	counts	41	44		4	12	
	%	20.4%	28.9%	M	2.0%	7.9%	M
	Residual	-1.9	1.9		-2.6	2.6	
3	counts	45	51		22	21	
	%	22.4%	**33.6%** [b]	M	10.9%	13.8%	M
	Residual	-2.3	2.3		-0.8	0.8	
4	counts	108	46		69	70	
	%	**53.7%**[b]	30.3%	**H**[*]	34.3%	**46.1%** [b]	L
	Residual	4.4	-4.4		-2.2	2.2	
	Total	201	152		201	152	

[a]: Integrity Rank by the Delphi Method. 'H' indicates the highest behavioral integrity, 'M' in the middle, whereas 'L' is the lowest.

[b]: Most chosen actions within each group

[*]: Highest percentage of a chosen action that matches the highest integrity ran

Scenario 1 was about a realtor who promised the lowest price to buyer X and set the deal but was later found to have given a better offer to buyer Y. The promise in scenario 1 was clear--should a customer does not get the lowest price, the house broker should then reimburse of whatever differences. The action representing the toughest behavioral integrity identified through the use of Delphi method for this specific situation is action choice D, to refund the difference even if it needs to come out from the realtor's own pocket. A majority of the business students identified themselves with C or developed some initiatives to please the buyer with 51 (33.6%). On the other hand, the managers had D, with 108 (53.7%). This corresponded with our ideal choice. Managers who would be willing to return any difference, even if it has to come out or his own pocket do keep their word as they walk their talk. On the contrary, the business students were seen as having low BI with their response.

Scenario 2 dealt with a job promotion. The general manager did not define the rules clearly and was challenged for lack of fairness. The promise was stated as whoever can deliver the highest production regardless on how it was achieved shall be promoted. The ideal choice for this scenario would be Action choice A, which suggest to stick to the original plan. A majority of the students (46.1%) chose item D, which is to postpone the announcement and to put things on status quo until the following season. The managers, on the other hand, haven chosen item A with 52.5% and again manifested their consistency with their earlier choice in scenario 1. Individuals who are fund not be able to keep their word-deed consistency maybe considered as having a lower behavioral integrity.

5. Conclusion and Discussion

What we obtained was in line with the developed attitudes, assumptions, and intentions. That is, the value systems of the people who faced behavioral integrity challenges in normal life. From these group norms, we might be able to see the immediate influence from layers of value systems, specifically, in layers from group, organizational, social, cultural, and finally human nature. In our two scenarios, there are ingredients imply codes of actions and norms such as: how to keep a promise and fulfilling practical considerations (or practical rules), maintaining one's reputation and finding alternatives, as well as sustaining images of integrity, fairness, trustworthiness, and honesty; how to define professional codes and aim for long-term benefits. We found that managers developed moral or ethical codes that were aimed at ensuring better morality (e.g., [3], [11]). On the other hand, students were less thoughtful and acted imprudently and less patiently. On the thoughts of the price they might have to

pay for inconsistent moves, managers may just opt for virtuous considerations such as honesty, morality, trustworthiness, long-term benefits, and endurance. At the same time, they practice self-protection, practical rules, professional codes and norms, and the pursuit of self-interests. Therefore, with the passage of time, managers showed greater consistency in their words and deeds and displayed high agreement within their group. On the other hand, the results obtained from the business students were more diversified which represented a lesser degree of behavioral integrity. The managers seemed to adapt better and were more thoughtful and mature in comparison to the younger students. We propose that the reason for this maturity is the process of social contract formation for action codes and norms within groups.

From a social contract prospective, the process starts from personal rationalizing, social contracting, norm forming, and then arrive at a priority rule of action. In short, socialization can be a valuable and positive method that leads to the pursuit of integrity. Socialization through social contracts becomes a learning process under the layers of group, organizational, social, cultural, and environmental influences. We have seen great similarity that managers adopt social contract perspective to tackle their integrity challenges. We may simply refer to this code as lessons that group members have learned. These lessons may be easy or difficult. Nevertheless, we are content to find those lessons that are rewarding. Leaders with behavior integrity may find positive relations with subordinate integrity, and discover gained trust and satisfaction from their followers [8], enhancing the norms of reciprocity and consequently advancing organization performance.

It is important to note that any direct comparison of results between different organizational contexts could yield misleading outcomes. The implications of this study are limited to the current participants and their surrounding contexts, environments, cultures, and time [9]. Future research can be conducted to include additional comparisons among more diverse groups and cultures. An analysis of the effects and impact on social contract formation and socialization among various demographic attributes is also applicable.

6. References

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