

Business Ethics: Overcoming Social Dominance Orientation

Compliance and Ethics



Three of us sat in a row in front of Roger's polished, mahogany desk. This senior vice president's dimensions and his demeanor were both intimidating. He was about 6' 2" and 370 pounds. His head was the size of a watermelon. He had a deep southern drawl and a John Wayne swagger that was not an act.

The mountainous VP leaned toward us, elbows on his desk. His sausage-sized fingers slowly folded together into a contemplative clench when he unexpectedly bellowed, "Have you men ever plowed a field behind a mule?"

Following our unanimous confessions that we lacked any experience with such soil turning techniques, Roger said, "Well, I have. Yes sir. Many times."

He paused briefly in apparent reminiscence of his bygone plowing days, and then continued. "Let me tell ya'll somethin' about mules that you may not know. Sometimes they just won't pull. You can say 'pretty please' or give 'em sugar cubes and all that, but they still just stand there lookin' atcha." He let that sink in for a moment and then asked, "Do you know how you get that mule to pull?"

Once more, we each took turns admitting our complete ignorance of effective mule motivation techniques.

“Well, I do,” Roger drawled with some conviction. “There’s just one way. You go out there into yonder field and you pick yourself up the biggest rock you can carry, and you hit that son-bitch right here,” pointing to his forehead with a beefy index finger. He then lifted his arms over his head and brought them down fast, to demonstrate the proper striking motion making us wince a bit as he hollered “Bam!” “Yes, sir,” he continued, red-faced from exertion. “You let that animal know, right then and there, that he’s either gonna’ pull or you’re gonna’ drop him dead right there in that field. You either kill ‘em or cure ‘em!”

Roger paused to give us a moment to ponder the philosophical implications of this key insight into mule psychology as we stared blankly back at him in frank astonishment at his unexpected performance.

He leaned his gigantic head even further in our direction, took his glasses off, and squinted for dramatic effect. Then he said very slowly, in a deep gravelly voice, “Gentlemen, let me tell you somethin’. We’ve got a lot of mules in this company that just ain’t pullin’.”

I am happy to report that neither my colleagues nor I were ever fatally “struck” by this SVP. But I did witness him intimidate peers and subordinates alike with his imposing presence and supreme arrogance. I also watched him deliberately manipulate information provided to our board of directors — whom he viewed with some contempt and as mere obstacles to executing his business plans rather than the corporation’s ultimate governing authority. Ironically, years later, Roger was the one who did not survive his tenure at the company. He exited the company in disgrace after the board terminated him for gross mismanagement of numerous construction projects and deliberately hiding from the board a US$50,000,000 cost overrun.

Roger’s characterization of a certain class of work colleagues as “mules,” his perceived superiority over his peers and company directors, and his exploitation of his powerful position in the corporate hierarchy are not unique to him. These traits — common to many senior business executives — are manifestations of a psychological construct referred to as “social dominance orientation” (SDO).

We all have a certain degree of SDO but, not surprisingly, researchers have found that it is particularly prevalent in the top echelons of group-based social hierarchies — like those common to every corporation. An additional factor that likely amplifies SDO’s prevalence in corporations’ top ranks is the fact that high SDO levels are found in business school students and economics majors — disciplines that frequently serve as the educational foundation for corporate executives.

Although individuals with high SDO could choose to use their influence on their colleagues for good, according to organizational psychologists, people higher in SDO have tendencies toward Machiavellianism and psychoticism and achieve lower scores on measures of morality. Researchers who study the psychology of white-collar crime have found that corrupt individuals tend not to view themselves as corrupt and that corrupt behavior by corporate executives is often instigated and performed in an oblivious and mindless manner. Based on these and other findings, some researchers have concluded that high SDO levels and the associated lower level of awareness of the misuse of power and position leads to the initiation and maintenance of organizational corruption.

In her research paper “Hierarchies, Power Inequalities, and Organizational Corruption,” published in the *Journal of Business Ethics* in January 2012, Valerie Rosenblatt concludes that “organizational corruption is driven by the individual and institutional tendency to structure societies as group-based social hierarchies.” She further asserts that:

> "[I]ndividuals high in social dominance orientation, believing that they belong to superior groups, are likely to be less aware of corruption because of their feeling of entitlement to greater power and their desire to maintain dominance even if that requires exploiting others."

I believe this dynamic was at play in regulating Roger's behavior. Having worked closely with Roger for years, I can tell you that he genuinely believed he was fighting the good fight and doing what needed to be done to help the company grow and prosper. But his years-long coverup of gross project mismanagement and associated cost overruns ultimately led to the collapse of the company's share price and its near bankruptcy.

As I reflect on that corporate train wreck — to which I had a front-row seat — it would not be fair to lay all the blame on Roger. He could not have done what he did by himself. He needed many others to enable him. The CEO and other senior executives and their subordinates, including myself, played a role in this catastrophe. I recall many meetings with my peers in which we shared our observations about instances we observed of the company's construction contractor's incompetence, mismanagement, and excessive billing. We expressed our frustration about the fact that Roger was either complicit in the contractor's actions or looking the other way. He was always very hard on everyone else but seemed to give our contractor a pass regardless of how egregious their failures were. Yet none of us had the courage to gather the evidence and present it to Roger, the CEO, or the board of directors. Similarly, up until the point that Roger's colossal blunders were too large to ignore, the company's other senior executives remained silent not wanting to put themselves at risk by questioning Roger's actions.

Apparently, our experience was not unique. According to Rosenblatt, the inclination to rationalize or overlook corrupt acts is not limited to senior corporate executives. We are all vulnerable to this affliction. As important as it is for leaders to consciously resist the temptation to abuse their power or rationalize misconduct, Rosenblatt's research concludes that those of us in less dominant positions bear some responsibility for our leaders' corrupt behavior. Rosenblatt observes:

> "Members of subordinate groups are also likely to have lower awareness of corruption if they show more favoritism toward dominant group members to enhance their sense of worth and preserve social order."

There is little we can do about the presence of high-SDO leaders in our organizations. It has always been and always will be a natural byproduct of corporate hierarchies. Nevertheless, it is vital that we recognize SDO as a primary driver of systemic corporate corruption and, as corporate officers, find and implement effective countermeasures to its corrupting influence on us all.

Jim Nortz



Founder & President

Axiom Compliance & Ethics Solutions, LLC