SAMUEL WAKSAL AND THE IMCLONE INSIDER TRADING SCANDAL: SELF-MONITORING THEORY AND DEVIANT WORKPLACE BEHAVIOR

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INTRODUCTION

The new millennium was greeted by a wave corporate scandal that left millions of ordinary people penniless, with some loosing their entire life savings. Behind many of these scandals are the executives and their arrogance, deceit, and double standard behaviour that harms society and betrays the public’s trust. Executives like Samuel Waksal of ImClone, Kenneth Lay of Enron, John Rigas of Adelphia, Richard Scrushy of of HealthSouth Corporation, and Dennis Kozlowski of Tyco International are perfect embodiment of these scoundrels.

It would have been a great victory for the side of good, fairness, and justice if these people’s deception and fraud had been uncovered much earlier. That would have cut-short the careers of these unethical chief executives before they had the chance to cause major damage on the companies they controlled and to society as a whole.

There is a just reason for us to be concerned about one’s questionable and shady past. With the increasing number of executives and managers that have been caught up in high profile scandals, we have many reasons to be concerned. One need not be a psychology or organizational behavior expert to know that once somebody lied, stole, and deceived, there is a fairly big chance that that person will do it again in the future. Sometimes the stakes involved will be a lot higher the next time around. As Phyllis Anzalone, the former director of Enron Energy Services, put it properly, “You do it once, it works, and you do it again.” Soon after it would be very difficult to distinguish what is right from what is wrong, from what is legal and what is not. It may not be the easiest thing to do to correct an errant executive, but before much bigger damages could be done, someone has to do the job.

In this study, we take a closer look at the Imclone insider trading scandal and its main player, ImClone’s former CEO Dr. Samuel Waksal. We confront the issue through the personality theory perspective. Specifically, we employed the self-monitoring personality trait theory. We also touched a little on the other personality trait theories but did not expound on them so much because we want to develop a much more focused study on the self-
monitoring personality trait theory perspective. We do recognize that the other perspectives and theories may also help explain the issue and we are quite sure that our findings in this paper are related with them but we reiterate that, we want to develop a much more focused study on the self-monitoring personality trait theory perspective. However, the line of thought to combine all the perspectives or theories in explaining this kind of issue, we believe will be a good idea for future research in this field.

CASE BACKGROUND

The ImClone Trading Scandal

ImClone is a biopharmaceutical company dedicated to developing biologic medicines in the area of oncology. Oncology is the branch of medicine that studies cancer. It was founded in 1984 and is headquartered in New York City. It is traded on the NASDAQ stock exchange under the symbol IMCL (Wikipedia: ImClone Systems). The company has never produced a profit and for many years, continually shifted the focus of its research before turning in the 1990s to the development of a drug called Erbitux (ImClone Systems, Inc.: Company History).

ImClone’s stock price dropped sharply at the end of 2001 when its drug Erbitux, an experimental cancer drug failed to get the expected Food and Drug Administration (FDA) approval. It was later revealed by the U.S. Securities and Exchange Commission that numerous executives sold their stock before the announcement of the decision after the close of trading on December 28. Its founder, Samuel D. Waksal, was arrested in 2002 on insider trading charges for informing friends and family to sell their stock, and attempting to sell his own (Wikipedia: ImClone Systems). Aliza Waksal, Samuel Waksal’s daughter, sold $2.5 million in shares on December 27. Jack Waksal, Samuel Waksal’s father, sold $8.1 million in shares over the 27th and 28th. A number of Company executives followed soon. Some of them are John Landes, ImClone’s general counsel, Ronald A. Martell, vice president for marketing and sales, and four other executives (Wikipedia: ImClone Systems).

Martha Stewart, founder of the very popular Martha Stewart Living Omnimedia, also became embroiled in the scandal. She sold her ImClone shares just a day before the announcement of the FDA decision. She is a close friend of Sam Waksal and Waksal dated her daughter Alexis a couple of years back (Wikipedia: ImClone Systems).

Samuel Waksal pleaded guilty to various charges, including securities fraud, and on June 10, 2003, was sentenced to seven years and three months in prison (Wikipedia: ImClone Systems). The Justice Department called it the summer of fraud since the Enron and WorldCom scandals also exploded more or less during the same season while millions of Americans had lost their life savings, and they were looking for blood
It was found out from the investigations that one person, tipped by Samuel Waksal, avoided losses of approximately $1.9 million. Another person tipped by Waksal avoided losses of approximately $630,000.

There are a number of key personalities who got implicated or involved in the scandal. They are:

- Samuel Waksal, the former CEO
- Harlan Waksal, Samuel Waksal’s brother and an executive of ImClone who also later became CEO
- Douglas Faneuil, stockbroker
- Peter Bacanovic, Merrill Lynch stockbroker
- John Landes, ImClone general counsel
- Ronald Martell, ImClone vice-president for marketing and sales
- Robert Goldhammer, chairman of the ImClone board of directors
- Martha Stewart, ImClone Shareholder and a close friend of Samuel Waksal

Samuel Waksal

Dr Samuel Waksal is the founder and former chief executive officer (CEO) of ImClone Systems, Inc. Samuel Waksal and his younger brother Harlan emigrated with their parents from Europe to Dayton, Ohio in the 1950’s. His mother survived the horrors of the Auschwitz concentration camp while their father fought for the Polish underground. His father supported their family by working in the scrap metal business. In 1969 Samuel Waksal earned an undergraduate degree and in 1974, a Ph.D. in immunology from the Ohio State University.

After a postdoctoral fellowship in Israel, Samuel Waksal was able to secure a prestigious position at Stanford University, backed by Dr. Irv Weissman, a Stanford professor whom Waksal met when the doctor visited the Ohio State laboratory. Although Samuel Waksal initially impressed his new colleagues with his charm and brilliance, he was asked to leave the Stanford laboratory after its head, Dr. Leonard Herzenberg, became convinced that Waksal had repeatedly lied about acquiring prized antibodies.

After Stanford, Samuel Waksal worked for the National Cancer Institute where he got a temporary research position. His contract with the said institute was not renewed due to a disturbing pattern in his research. Whenever it was time for Waksal to share or present his part in collaborative research projects, something always goes wrong. The specimen would be contaminated or infected and would have to be killed or discarded. In essence, he was not able to provide any contribution to the projects.

Despite being asked to leave Stanford University and the National Cancer Institute, Samuel Waksal was still able to secure employment at Tufts
University. Not long after starting work in his new job, his Superiors grew suspicious about his work. Some of his experiments were not conducted on time and what would be even more disturbing is that some of the experiments seemed to be purely fictional. It was also about during this time when he was at Tufts that he tried to cover up for his brother, Harlan, who was arrested for possession of cocaine. Samuel tried to impersonate Harlan and conducted his brother’s rounds at the New England Medical Center. Harlan Waksal by this time already finished medical school and was a medical resident at Tufts.

Samuel Waksal’s problems at Tufts University caused him to bid farewell to that institution. Shortly after leaving Tufts, Samuel Waksal was hired by New York's Mount Sinai School of Medicine to run an immunology laboratory. As had been the situation with his previous jobs, his stay at Mount Sinai was brief and ended in controversy. Someone familiar with the situation said Samuel Waksal had to leave because of evidence he had falsified data. Two former colleagues, however, said it was because of a dispute over his division's financial condition and ownership of some molecular modeling technology.

The ImClone Era

After Samuel Waksal left New York City's Mount Sinai School of Medicine, he focused all his efforts in establishing ImClone. To kickstart the company the Waksal brothers secured $4 million in venture capital. One key factor to landing investors was Sam Waksal's resumé, which listed a number of prestigious institutions. Skin deep, it was excellent and very impressive.

In 1987, ImClone was forced to call off a public offering in the wake of the October stock market crash. Despite this, the company’s direction did not go southward. Samuel Waksal was able to engineer several funding deals to keep ImClone alive until the company went through with its IPO in 1991. ImClone’s share price grew in value despite little success in its research.

Even though ImClone may be struggling to succeed and was in constant need of cash to fund its research, Samuel Waksal was becoming one of Wallstreet's “Men of the moment.” He became chairman of the New York Council for the Humanities and hosted monthly gatherings in his posh Soho loft, where guests were invited to discuss current issues of intellectual interest. On the outside, it was really as if Dr. Samuel Waksal had made the BIGTIME! He considered as his friends and business associates people like Ms. Martha Stewart and financier Carl Icahn, both of whom were investors of ImClone. Samuel Waksal was living a lavish lifestyle but was borrowing heavily from his companies. In the early 1990s he borrowed about $300,000 from ImClone. He was also having occasional difficulties meeting his debts and had been sued several times for not paying his bills. There was an auction house judgment against him in 1994 for a $58,000 check that
bounced and an ImClone investor sued Waksal in 1993 for failing to pay back $100,000 he had borrowed. The United States Internal Revenue Service and the New York State both also filed tax liens against Mr. Waksal several times, in some instances for more than $100,000.

Starting in the spring of 1995, however, ImClone did make some progress in their research and the company received numerous licensing offers and takeover bids. The only deal they did accept was a co-marketing agreement with the German drug maker Merck KgaA for European rights. The strong results for Erbitux caused management to file for drug approval from the Food and Drug Administration (FDA) in early 2001. Things started to really look good for the company which translated into an escalating stock price in 2001. In November and December of 2001, however, communications from the Food and Drug Administration about the Erbitux application grew negative in tone. And as one might have already figured out, the rest is history.

During the Congressional hearing on the ImClone Trading Scandal last October 2002, a culture of corruption since 1986 was uncovered. It was also discovered that during 1986, ImClone CEO Waksal done the first of the series of forgeries by falsifying the signature of John Landes, the company’s general counsel, for financial gain. Unpredictably, Landes defended Waksal for this illegal action. Moreover, the subsequent falsifications done by Waksal were also brought in the open. All these anomalies did not really surprise the people in the upper echelons of the ImClone company because these had been made known to them long ago. However, what is surprising is that these people did not report the shenanigans done by Sam Waksal to proper authorities or did not make any move to remove the latter from the position. The tolerance for Waksal's fraud started from the company’s earliest days. (Wikipedia: ImClone Systems)

CONCEPTUAL FRAMEWORK

The case about ImClone Systems, Incorporation and Sam Waksal made the group pondered about several questions, like (a)Why was he able to do questionable acts?, (b)Why hasn’t he been stopped long before the ImClone Scandal?, and (c)Why people continue to believe in him and deal with him? These and more are the questions that led us to the main subject matter which is, “What is the personality of Samuel Waksal?” We would also like to know whether the type of personality that Sam Waksal possess, indeed, influence a deviant workplace behaviour, as what was manifested in his works in ImClone Systems, Inc. Given the aforementioned reasons, we arrived with the following conceptual framework:
Personality

To be able to answer the questions, the group dug into the Organizational Behavior theories. The main concept that was first identified, in relation to the case, is personality. Personality is “made up the characteristic patterns of thoughts, feelings, and behaviors that make a person unique,” stated Wagner (2008). According to the book, Organizational Behavior, personality is “the sum total of ways in which an individual reacts to and interact with others” (Robbins and Judge (2007)). It was also further discussed in the book that personality determinant could either be heredity or environment. Basically, these determinants exemplify the widely-debated phenomena in science which is nature or nurture. Nature or heredity would comprise factors which are inherent or inborn to a person. For example, physical features and other biological characteristics. Nurture or environment, on the otherhand, are factors that shapes influences our personality as we grow up, such as familial upbringing, cultural and traditional norms, and other experiences that influenced us.

Personality possesses some fundamental characteristics which include consistency, psychological and physiological, impact behaviors and actions, and multiple expressions.

Wagner (2008) described the aforementioned characteristics as:

Consistency - There is generally a recognizable order and regularity to behaviors. Essentially, people act in the same ways or similar ways in a variety of situations.
Psychological and physiological - Personality is a psychological construct, but research suggests that it is also influenced by biological processes and needs. Impact behaviors and actions - Personality does not just influence how we move and respond in our environment; it also causes us to act in certain ways. Multiple expressions - Personality is displayed in more than just behavior. It can also be seen in our thoughts, feelings, close relationships, and other social interactions.

Major Personality Attributes Influencing OB

In coherence to the course, we examine the major personality attributes influencing behavior in the organization, characterized by our textbook. We also evaluated the attributes in order to find out which attribute would fit Samuel Waksal. These personality attributes are the following:

Core Self-Evaluation

According to Robbin and Judge (2007), Core Self-Evaluation is “the degree to which individuals like or dislike themselves, whether they see themselves as capable and effective, and whether they feel they are in control of their environment or powerless over their environment.” The concept is also determined by two main elements: self-esteem, the level of an individual’s perceived self-likelihood and the level of their perceived self-worth, and locus of control, the extent to which people believe they make their own fate. Partially, we can say that Samuel Waksal has a positive core self-evaluation. Though, it is obvious, that he is a person with a high self-esteem, we lack sufficient data to identify his locus of control.

Machiavellianism

Machiavellianism is the level to which the individual is pragmatic, maintains emotional distance, and believes that ends can justify the means, according to our text book. The name is from Niccolo Machiavelli who wrote the book “The Prince.” Colman (2001) stated that, Machiavellianism is a “strategy of social conduct that involves manipulating others for personal advantage, often to the detriment of the people being thus exploited.” This was introduced by the US psychologists Richard Christie and Florence L. Geis in 1968. There was an experiment wherein players in groups had to agree on dividing $10 among them. The results show that people who have high score in the Mach Scale manage to have significantly more money than those who have low scores in the Mach Scale. There were also evidences that show high scorers tendency to cheat and lie for their advantage (Colman (2001)).

Though we can say that Sam Waksal could be a Mach because he manipulated and lie for his advantage, the theory of Machiavellianism could not explain most of our questions.
Narcissism

The term is from the Greek myth of Narcissus, the man who fell in love with his own image. Our textbook describes Narcissism as the propensity to be arrogant, have a grandiose sense of self-importance, require excessive admiration, and have a sense of entitlement (Robin and Judge (2007)). Someone with narcissism can also be described as a person who never grew out of the natural self-centredness of a child. Sharing the limelight is one of the hardest things that a narcissist could do; they always want to be on the spotlight. They are also capable of inventing stories to get what they want and act that they are important than they are. They, also, oftentimes project or throw the blame of their wrong doings to others. People who are good looking and charming are the ones who manage to get away with this behaviour.

The concept somehow describe Samuel Waksal but it fails to explain why Samuel Waksal would be able to get away with the wrong things he has done and even get other people work with him, despite their knowledge of his anomalies.

Risk Taking

Though risk taking behaviors—such as rock climbing, gambling and drug taking—represent one of the most confounding problems in psychology (Llewellyn (2003)). Risk-taking had become a vital part of business and life (Pavlina (2006)). Though the word slightly implies danger, tension, and possible loss, it still bears a positive side which is the chance of hitting a big win. In our textbook, the author identified Donald Trump as a risk-taking person. Donald Trump is an American billionaire realtor who owned his fortune by seeing skyscrapers in an abandoned lot. He took risks in building big buildings at places that one will never thought as promising, like Manhattan, New York years ago. Though Samuel Waksal could be characterized as a risk taker, the theory will not explain most of the questions we asked about Sam Waksal’s personality.

Type A and B personality

Type A personality, according to our textbook, is an “aggressive involvement in a chronic, incessant struggle to achieve more and more in less and less time and, if necessary, against the opposing efforts of other things or other people. People with Type A personality are those we refer to as hard workers who are often preoccupied with schedules and the speed of their performance. Type B personalities may be more creative, imaginative, and philosophical (Wikipedia).

Theoretically, people who fall under Type A generally exhibit characteristics such as being time-conscious, highly competitive, direct and more assertive, and less relaxed. Type A individuals are often high-achievers who multi-task, and are unhappy with delays.
In general theoretical terms, the Type B personality, are not as time conscious, less competitive, avoiding of confrontation and easy-going. They are inclined to self-analyze and evade stressful situations, and less capable at coping when found therein. Type B individuals are more given to maintaining composure during delays.

As much as we would like to know of whether we could accurately identify Sam Waksal as a Type A or Type B personality, our data about him are limited for this inquiry.

Proactive personality
Patel (2001) defines proactive behavior as "taking initiative in improving current circumstances or creating new ones, challenging the status quo rather than passively adapting to present conditions." In a study by Patel (2001), the results suggested that proactive people are innovative, politically knowledgeable, and has initiative in their careers. To reiterate, our textbook defined proactive personality as "people who identify opportunities, show initiative, take action, and persevere until meaningful change occurs."

The book mentioned about the self-monitoring personality, and for the group, this is the concept that could best explain our questions about Samuel Waksal’s personality. Later, we will argue that Samuel Waksal is a high self-monitoring person. However, before we present the arguments why we think that Samuel Waksal is a high self-monitoring person, we would like to define the Self-Monitoring theory in more depth.

Self-Monitoring Theory
In recent years, one personality variable in particular has received significant attention from organizational researchers: ‘self-monitoring’ (Mehra and Schenkelw (2008)). The Self-Monitoring theory is a contribution to the psychology of personality, proposed by Mark Snyder in 1974. Mark Snyder made the study through a questionnaire answerable by True or False (see Appendix). This refers to the process through which people regulate their own behavior in order to “look good” so that they will be perceived by others in favorable manner.(Wikipedia) At the heart of self-monitoring theory is the proposition that individuals differ meaningfully in the extent to which they can and do engage in the expressive control required for the creation of appropriate self-presentations (Snyder, 1974).This study can be best characterized as concerning the active construction of public selves designed to achieve social ends, a process perhaps most appropriately referred to as image projection. (Gangestad and Snyder, 2000) In this theory, human interaction is likened to stage acting where humans are constantly performing in an attempt to present an idealized picture for others. Essentially, the theory personifies the words of Shakespeare: “All the world's a stage, and all the men and women merely players..."
Classes of Individuals According to the Self-Monitoring Theory

One class of individuals, high self-monitors, tend to be highly attuned to cues of situational appropriateness; chameleon-like (Snyder, 1974), they adapt their behaviors and attitudes to suit different situational requirements. Faced with a social situation, high self-monitors ask: ‘Who does this situation want me to be and how can I be that person?’ (Snyder, 1974). By contrast, the other class of individuals, low self-monitors, tend to be less attuned to the requirements of different situations than to their own inner beliefs and values. Faced with a social situation, these true-to-themselves individuals ask: ‘Who am I and how can I be me in this situation?’ (Snyder, 1974). Consequently, low self-monitors tend to be relatively rigid in their reactions to changing situational demands (Gangestad and Snyder, 2000).

Since we identify Samuel Waksal as a high self-monitoring person, we look more deeply into the definitions about high self-monitoring. Snyder (1987) defined high self-monitoring as:

• High concern with the social appropriateness of one’s actions
• Use of social comparison information
• Ability to monitor one’s behaviour to fit different situations
• Ability to do this in specific situations
• Trait variability

Different sources also classified high self-monitors as:

• More effective negotiators (Jordan & Roloff, 1997)
• Experience fewer conflicts with colleagues (Baron, 1989)
• More likely to receive job promotions (Day, Schleicher, Unckless, & Hiller, 2002)
• More likely to emerge as leaders (Day et al., 2002)
• High self-monitors are more prone to divorce (Leone & Hall, 2003)
• High self monitors alter their self-presentation to adapt to the situation and/or social climate that they encounter.

Day et al. (2002) found that individuals with high self-monitoring skill used impression management techniques to influence positively their performance ratings. This ability to influence and adapt may also be why it is more difficult to judge accurately deceptive messages coming from high self-monitors (deTurck & Miller, 1990)

Key points of high self-monitoring personality were also identified. These are:

Adjust behavior to external situational factors
Politically adept
Highly sensitive to external cues
Can behave differently in different situations
Capable of presenting striking contradictions between their public persona and private self
Pay closer attention to the behavior of others thus more capable of conforming
Tend to receive better performance ratings
More likely to emerge as leaders
Tend to show less commitment to their organizations
Tend to be more mobile in their careers
Receive more promotions
More likely to occupy central positions in organizations
Tend to be more successful in managerial positions that require playing multiple and even contradicting roles
Capable of putting on “DIFFERENT FACES FOR DIFFERENT AUDIENCES”

RESEARCH METHODOLOGY

Samuel Waksal: A High Self-Monitoring

In this section, we attempt to fit Mr Samuel Waksal’s behaviour to the key points of the self-monitoring personality trait and use this to answer questions like: Why was he able to continue doing questionable acts for a significant amount of time? Why wasn’t he stopped long before the ImClone Scandal? And why did people continue to deal with him despite his questionable past and questionable character? We argue that one of the answers, among others, to these questions is that Mr. Samuel Waksal is a high self-monitoring individual. We present our analyses in this section.

We present here the key points of the self-monitoring personality trait and then we provide a short discussion of why or how Mr Samuel Waksal’s behaviour or personality fits these key points.

Politically Adept

Despite some violations on his part and a number of legal cases he was facing, Samuel Waksal managed to survive for a significant amount of time. He surprisingly remained the Chief Executive Oficer (CEO) of ImClone. The board of directors of the company and the other executives did not take action to have him removed from his position. In fact, what they did is to make efforts to protect him and at times share in his adventures. Mr. Waksal knows how to deal with these people and he knows how to play politics.

Highly Sensitive to External Cues

Being highly sensitive to external cues is appropriate for social events where etiquette needs to be observed. Samuel Waksal excelled in this respect being always present in upper class social gatherings and he fit very well in New York City's high society. He was even dubbed as one of Wallstreet’s “Man of the Moment” and he acted accordingly. Well from what we know, at least in public.
Can Behave Differently in Different Situations

Samuel Waksal behaved differently when talking to family members and behaved differently when talking to the public regarding the Food and Drug Administration announcement. He told the public it was just a matter of documentation but this was not how he talked to family members and friends, where he presented an atmosphere of urgency and danger.

Capable of Presenting Striking Contradictions Between Their Public Persona and Private Self

Samuel Waksal played the Wallstreet “Man of the Moment” role very well. He was living the high-life, hitting the bigtime, being the hero, and brushing elbows with the who’s who in New York City’s corporate and high society. He was even elected as Chairman of the New York Council for the Humanities and hosted monthly gatherings in his posh Soho loft, where guests were invited to discuss current issues of intellectual interest. Privately, though, he was a troubled man having difficulties paying his debts, his company is struggling, and he is facing legal suits.

Pay Closer Attention to the Behavior of Others Thus More Capable of Conforming

Samuel Waksal must have been very observant of the people around him, knowing how they behave and think so that he will know how to approach and deal with them. He did manage to establish a friendly relationship with Dr Weissman when the doctor visited the Ohio State University and who was instrumental in Waksal’s landing a job in Stanford. The two only met once but that seemed to be enough to make Dr. Weissman like Sam Waksal. Sam waksal was also able to negotiate and impress different groups of investor. He was able to learn what these investors wanted to hear from him and so he was able to convince them to invest their money in his company which was not really doing well at the time when he was CEO.

Tend to Receive Better Performance Ratings

Mr. Samuel Waksal did manage to convince venture capitalists and other investors to put their money in ImClone so in some way they must have viewed him as someone capable and someone who can perform and handle the job. Why? Because these venture capitalists and investors in general will not place their money in a starting company if, among other things, they do not believe or perceive the person leading the company to be someone capable and up to the task. After all, they do want to get their money back plus profit so they will need a CEO who can make that sweet situation happen.
More Likely to Emerge As Leaders

Samuel Waksal was the CEO of ImClone for more than a decade so has been the leader of the company for quite a while. In fact, one can even argue that he remained the leader of the company for too long given all the illegal actions he was regularly doing. It is also worth noting that Sam Waksal was hired by New York’s Mount Sinai School of Medicine to head an immunology lab. Even though it was his first time to work for New York’s Mount Sinai School of Medicine, he already was given the task of running and immunology laboratory.

Tend to Show Less Commitment to their Organizations

Although we can say that, to a certain degree, Samuel Waksal did look out for the welfare of ImClone, he did not take care of it enough. He is also not that focused on building, developing, and running the company. He was more into self satisfying and enjoying himself and in a number of times at the expense of the company. He occasionally used it as a milking cow. This behaviour is actually quite surprising given that he founded ImClone, this company is supposed to be his “baby.” We would have expected a special attachment and a very strong commitment to the company but that does not seem to be the case for Mr. Samuel Waksal and for other highly self monitoring individuals.

Tend to be More Mobile in Their Careers

The meaning of this statement is that self-monitors are always on the lookout for better opportunities and does not hesitate to grab it when they do find it. Although the main reason why Waksal was always changing jobs is that he was more or less kicked out rather than he already desired to leave, he always did manage to look for, find, and land another good job opportunity. He was indeed very mobile in his career. This point regarding self-monitors is related to the previous point that self-monitors tend to show less commitment to their organizations. Since self-monitors tend to show less commitment to their organizations, they tend to be more mobile in their careers.

Receive More Promotions

Samuel Waksal was the CEO of ImClone for a very long time. Nobody can get more promoted than that as a company executive. Also, for his first job with the New York City Mount Sinai School of Medicine, he immediately held a supervisory post wherein he was in charge of an immunology laboratory.

Tend to be More Successful in Managerial Positions That Require Playing Multiple and Even Contradicting Roles

Again, a very good point for this is that Samuel Waksal was the CEO of ImClone for more than a decade, a position that requires multiple roles.
Nobody becomes a CEO if you are only good at one thing let's say only marketing or only finance. You must at the least have some working knowledge on a number of fields. Being a CEO also comes with it some contradiction of roles either roles you play internal to the company or the roles you play external to the company. For example, a conflict of role might arise between being a CEO to the company you work for and from being a father or husband to your family. Although Sam Waksal might not be considered a successful manager in the end, he did manage to score a number of successes along the way for his company and for himself. Probably the greatest of which was staying in power in the CEO position, despite his shadowy activities, for a very long time.

Capable of Putting on “Different Faces for Different Audiences”

   Samuel Waksal always had a set of different people he had to deal with. As a CEO, he had to deal with suppliers, customers, competitors, company employees, and company shareholders. The fact that he stayed long in his position as CEO would show that to some degree, he was quite successful in dealing with these different sets of people. These different audiences often require different faces in order to deal with them successfully. Sam Waksal was also a master of putting on a different face when he was living the high life and socializing with New York City’s corporate and high society elite from his more personal life filled with debt, a struggling company and lawsuits. On the surface, he really looked like someone who made the big time, in reality he was a man plagued with problems.

   We would like to make it very clear that being a self-monitoring individual is not bad in itself. As a matter of fact, we all need some degree of self-monitoring for us to be able to adjust our behaviour to certain external, situational factors. This gives us more chances of succeeding in our jobs especially if we are in a managerial position. All of us need some degree of self-monitoring. What we present here is the downside of the self-monitoring personality trait, and how and what potential harm it can cause if expressed in a negative way. We also recognize that the reason for Mr. Samuel Waksal’s behaviour and for his staying in power for a long time despite his shady activities is not only because he is a highly-self monitoring individual. There could be as many as a dozen explanations for this. To reiterate, what we argue is that high self-monitoring is one of the possible explanations for this, based on our analyses and would most likely be related with the other reasons as well. We concentrated on self-monitoring, and did not relate so much with, test for or analyze extensively other potential reasons, because we want to present a more focused study in this perspective. That line of thought, however, we believe would be a good idea for future research on this area of study.
High Self-Monitoring and Deviant Workplace Behavior

Finding that CEO Samuel Waksal is, indeed, a high self-monitoring person, and knowing that his personality contributed, in one way or another, to the downfall of ImClone Systems, Incorporated, we argue that a high self-monitoring personality could influence deviant workplace behavior. Deviant workplace behavior is, according to Robbin and Judge (2008), “the voluntary behaviour that violates significant organizational norms and, in doing so, threatens the well-being of the organization or its members.”

We tried to look at articles related to self-monitoring and deviant workplace behavior, the best we found is the article of Laura Parks (2005) which gave the results that high self-monitors have a “dark side.” The results showed that higher levels of self-monitoring are related to higher levels of counterproductive behaviors, or employee behaviors that violate organizational norms and hinder the attainment of organizational goals. The results also suggested that self-monitoring is related to organizational, not interpersonal, deviance.

The author pointed out that, “We expected high self-monitors to engage in more organizational deviance because they are motivated by self-interest; consequently, they are likely to put their own interests before those of the organization. However, the high self-monitor is also image conscious, and as such is not likely to engage in deviant behaviors directed toward individuals.” Studies about the bad side of high self-monitors have not received much attention from the literary world though. The study by Parks (2005) is one of the few studies regarding this. Most of the literary works before had been advocated on the study about the good factors associated in being a high self-monitoring person.

The author, also stressed that, “findings suggest that high self-monitors represent, to some extent, a paradox: the same characteristic that enables them to be successful (by adapting their behavior to fit the situation) may also lead them to engage in more ‘dark side’ behaviors.” In addition, the study concluded that the flaws of high self-monitoring could, wholly or partly, offset the advantages that a brought about by having high self-monitoring in the organization.
CONCLUSIONS

Given the task of making a study about a specific case and apply Organizational Behavior theories, the researchers decided to use the ImClone Insider Trading Scandal, one of the well-known cases during the summer of fraud in 2001, wherein corporate executives were indicted and prosecuted for acts of fraud, mostly regarding trading.

The ImClone Trading Scandal proved to be an interesting case, however, the group made a focus on one factor that greatly influenced the downfall of ImClone, the former CEO Samuel Waksal, the main player of the scandal. What made this case even more interesting is that Sam Waksal had been doing fraudulent acts long before the ImClone scandal was brought into light. And to make the story more and more enticing, many people within the upper echelons of the organization knew this. These facts and more made the group pondered on many things and made us arrived several questions. This paper would answer our questions such as, “What type of personality does Samuel Waksal have?” and “What is the impact of such personality to an organization”

To answer these questions, the researchers were able to construct a conceptual framework, then work in accordance to the framework.

First, the group dwell into the personality theories. The group found out that there are major personality attributes that influence organizational behavior. Knowing such, we looked for a fit of Sam Waksal's behavior to the different attributes. The group argues that Sam Waksal is a high self-monitoring person. Moreover, knowing that Sam Waksal's personality contributed, in one way or another, to the ImClone anomaly, we tested whether high self-monitoring is detrimental to an organization.

To test this, we looked for previous literature that would explain or support our stand. We found out that the study about the “dark side” self-monitoring is one of “the less traveled roads” in the literature. Fortunately, we still found a reliable reference that supports our stand that, indeed, a high-self monitoring person in the organization tends to do counterproductive behavior or deviant workplace behavior. Just like Samuel Waksal, a high self-monitoring person, who performed acts that were detrimental to the total welfare of the organization.

IMPLICATIONS

1. In the present literature on the topic, we mostly if not only see one general trend of explanation on OB theories, specifically in relation to this report, the personality theories. What we basically see are descriptions and explanations of the different personality traits. This personality trait is like this, this personality trait is like that, and this personality trait is usually better suited for this kind of job and this personality trait is better suited for that kind of job. These are the usual lines of thought we get from the present literature. Our idea is that more studies should be done about
potential deviant behaviors for the different personalities traits or types. What personality or set of personalities is more likely to commit this kind of deviant behavior? Or this kind of personality trait is more likely to commit what kind of deviant behaviour if at all any. This could very well help to improving the study of OB provided that this kind of study is feasible.

2. More studies or knowledge in this area could lead to radical new process like requiring companies to make a full disclosure to the Securities and Exchange Commission (SEC) of all background information compiled in the course of hiring or promoting a senior executive.

3. Maybe, more studies on Self-Monitoring and Lying. Maybe we can establish some relationship between self-monitoring and lying. Like, are self-monitors most likely to be liars as well? If the result of the studies show that yes, then what should we do about it and what should corporations do about it? Studies with that line of thought will probably be very useful in developing OB and helping firms.

REFERENCES


Robbins and Judge (2007). *Organizational Behavior*. Prentice Hall:


