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Understanding the role of behavioral science on ethics in the workplace

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Policymakers have been proposing reforms focused on preventing gross and blatant law violations; still, they have ignored the more stereotyped, vapid acts of unethical behavior that are far more common in organizations. Corporations bear high costs annually by avoiding tax payments and other money-related unethical behaviors by their employees. Seventy-three percent of professionals say an organization's values are important to them and would not apply to a company if its values are not aligned with their own. Furthermore, 43% of consumers have stopped buying from brands they find unethical, and 71% say they carefully consider corporate values when making a purchase.^[1] Henceforth, corporations aim to have a significant interest in preventing unethical and illegal behavior by adhering to compliance programs. Despite prioritizing and keeping compliance-related matters atop a corporation's priorities, effective management of compliance risk continues to present challenges.

Primary reasons for unethical behavior in organizations

According to scholars, there are several common factors responsible for unethical behavior in organizations, including:

- **Social influences:** implying that individuals abide by social rules that provide them with the opportunity to maintain or enhance their in-group identity
- **Greed:** suggesting that individuals indulge in unethical behavior to restore fairness in the presence of both pay differentials and wealth abundance in the environment
- **Egocentrism:** the desire to maximize one's outcome that allows individuals not to update their self-concept when behaving unethically
- **Self-Justification:** argues that the availability of justifications for dishonest conduct leads to increased unethical behavior by allowing individuals not to update their self-image as honest and reasonable.^[2]

Additionally, dense workloads form stressed minds. High stress and employer pressure on employees can cause unpleasant working environments and poor management, leading to unethical behavior.^[3]

Therefore, a derailed environment leads to a loss of enthusiasm and costs employees' productivity. It also makes an organization seem less credible as a loss of respect follows poor treatment. In extreme cases, one often confronts legal issues incurring a loss of time with an enormous monetary loss in the form of fines and hefty penalties. Criminal charges are often brought against employees involved in unethical behaviors.

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