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Holier than thou? Employees who believe they are 'ethical' or 'moral' might not be

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Bad behavior seems rampant in business, and scholars are divided as to why people act ethically or unethically. Many have argued that ethical behavior is the result of simple judgments between right and wrong. Others suggest that the driving force behind ethical behavior is the individual's moral identity, or whether the individual thinks of him/herself as an ethical person.

New research from the University of Washington suggests that both of these forces are at play. In two separate studies, Scott Reynolds, an assistant professor in the Michael G. Foster School of Business, and Tara Ceranic, a doctoral student studying business, surveyed roughly 500 college students and managers about their ethical behaviors.

In the first study, researchers asked students if they would have cheated in college in order to score better on a test. Those who explicitly considered themselves to be moral people and considered cheating to be morally wrong were the least likely to cheat. In contrast, students who considered themselves to be moral but saw cheating as an ethically justifiable behavior were the worst cheaters.

"Our research suggests that a moral identity motivates behavior, but that accurate, ethical judgments are needed to set that behavior in the right direction," Reynolds says. "A person's moral identity can interact with his or her judgments and actually push ethical behaviors to extreme levels, as we saw with the students who decided that cheating was justifiable and OK."

According to the researchers, a moral identity specifically centers on a person's moral aspects and acts as a self-regulatory mechanism that sets parameters for individual behavior and motivates specific actions that are moral.

Previous studies implied that moral identity is "good" when it is associated with and motivates individuals toward socially desirable outcomes such as volunteering and making charitable donations. Reynolds and Ceranic found that this motivational force needs direction, and that without proper guidance a moral identity can conceivably push individuals toward socially undesirable behaviors.

"Moral identity seems to be more motivational in nature than ‘moral' in nature," Reynolds says. "Managers and organizations should not just assume that a moral identity will necessarily translate into moral behaviors."

In a second study designed to more fully illustrate the motivational power of a moral identity, Reynolds and Ceranic presented company mangers with a scenario that was morally ambiguous. In the scenario, a hard-working hourly employee completed her work and was prepared to go home early, but she needed the hours. Each manager was presented with different options for dealing with the situation. These varied from being very accommodating (giving the employee the rest of the day off with pay) to very strict (keeping her at work and finding additional work for her to complete), with more moderate options in between. As expected, those who viewed themselves as moral people were most likely to take the most extreme alternatives, and chose either to be extremely accommodating to the employee or exceedingly strict about the rules in the workplace. This study proved that their moral identity motivated them to the most extreme behaviors.

As the first study demonstrated, sometimes these extreme behaviors may

not be in the best interests of the organization. There are measures, though, that companies can take to help improve moral behavior.

First, Reynolds says, companies can focus on improving individual moral judgments. Moral development has been shown to improve with formal ethics training programs. Company leaders should provide both model moral judgment and delegate authority appropriately.

Organizations also can more effectively communicate social consensus from higher sources, such as state and federal law, and more firmly establish their own social consensus in areas such as gift-giving policies. Doing so would presumably reduce the need for individual moral judgment and remove some of the variance in individual behavior. Mechanisms for conveying social consensus would include codes of conduct and both formal (newsletters, e-mails) and informal (speeches, conversations) information channels.

Finally, companies can reward and encourage behaviors associated with the traits of a moral identity (fair, hardworking, compassionate), thereby encouraging development of moral identities within employees. Both formal and informal systems would have to be considered, and such efforts would have implications for the identity of the entire organization. Nevertheless, the research indicates that if an organization employs individuals with strong moral identities, moral behavior will follow.

The study appears in the November issue of the *Journal of Applied Psychology*.

Source: University of Washington