

**Sustainable Ethical Conduct at
Workplace and Organizational
Interests' Alignment - Towards a
framework**

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Abstract:

Businesses as Organizations engage with the stakeholders and add value to the transactions at their end. Organization is in many cases represented by the strongest stakeholder who operates from inside, the employees. Organizations also have dominant logic and organizational culture that decide what is fine and otherwise. Ethical conduct by the Organization gives medium to long term visibility and credibility. It adds to the Sustainability. It builds reputation. To the extent the employees align with the Organization's interest in their conduct, which can be ethical or otherwise, determines the long-term survival and success of the organization. The paper examines the possible four scenarios of Organizational and

Operating Individuals' "interests" and puts the usecases in structured format. The paper concludes with takeaway to promote the desirable conduct.

Keywords: Sustainability, Ethicality, Workplace Conduct, Organizational Interests' Alignment, Critical Incidents, Usecases, Performance

Introduction:

General understanding prevails that unless ethical conduct is implemented, the sustainability efforts of the organizations may not yield results. Then, in simple terms what is not according to the code of conduct (CoC) is unethical behavior.

When the ethical conduct of the employees who are the most important internal stakeholders is examined, two possibilities exist. First, employee conduct (in boundary spanning cases which may be interpreted as "organizational conduct") is not disturbed and is in alignment with the stated CoC. On the other hand, there could be situations where the behavioral conduct of the individuals is deviating from pronounced CoC. Again, there are two possibilities why such a deviation (used carefully and the word

“deviancy” word is avoided!) happens? The deviation from the agreed and expected behavior can happen to fit the requirements of the organization which often is termed as pro-organization behavior. Secondly, the individual deviates from the expected behavior but this deviation does not necessarily have organizational interest in mind.

Another forking might happen here in terms of no organizational interests but only individual interests get covered, and the second possibility is lot of individual interest and minor organizational interest get covered. The interesting aspect is can we have a direct framework that encompasses the above categorizing based two by two (2x2) matrix for drawing inferences.

Literature Review:

It is desirable that organizations need to encompass the desired quality of ethicality. The entire value chain is expected to be vibrating with ethical values. The group of stakeholders are supposed to transact and beyond with a deep sense of ethicality. One understanding is that integrity can go beyond honesty and consciousness (Becker, 1998). With higher levels of ethicality in practice, the transaction costs shall come down and overall cost structure shall improve.

Additionally, when the organizations transact across the border there could be more issues. In terms of micro/macro unethical behavior, within the organization and crossing the boundaries at micro level, individuals might involve themselves in unethical behavior including selfish motivations. At a macro level of organizations exchanging too, it is stated that one may witness opportunism (Luo, 2006). In mutual transactions, each party in a “rational” manner, tries to maximize one’s benefits by going even to the extent of opportunism.

The individuals may act in the sheer interest of “self” or can combine their interest with that of the organization or thirdly work only in the interest of the organization. In all these things one may try to manage the desired impression (Becker & Martin, 1995). Deviation from the accepted norms may be tolerable within certain limits. On the other hand, when we mention workplace deviance, it leads to disturbing observations and outcomes. The measure is important regarding the workplace deviance (Bennett & Robinson, 2000). Whatever the actions and outcomes of organizational actors are, these try to maintain desirability (Bolino, 1999). In general team and workplace behaviors too, we often observe a social desirability aimed/driven “nice behavioral” tendency.

Thus, individuals, whether honest or otherwise, do carry a self-image and to the extent they would like to maintain or project an honest face (Mazar & Ariely, 2006).

Self-interest is always at the back of actions and considerations by individuals. Hence, when the individual is mapped to a certain role, there could be a potential conflict (Grover & Hui, 1994). Lies and “partial truths” are common form of unethical behavior. Lie is a wrong representation of the fact and is done for the economic interests of the involved. Decision can turn in a different direction if lie plays a moderating role. Hence one has to be careful in such cases (Colombo et al, 2013). On a similar note, the ‘other’ way of unethically dealing with the extant situations require study and model of dishonesty can be built (Grover, 1993). Individual alignment with one’s own behavior, assuming the conscience represents an individual is worth observing (Cullen & Sackett, 2003). In terms of credibility, possibly politics might score the lowest. Wrong representations, misquoting, modulating evidence to show that it is favorable to one are different tactics. Similar is covered in specific case of political lying (Martin, 2014). Policy formulation Litzky needs to consider the fact that dishonest

behavior may be displayed in life (Mazar & Ariely, 2006). Regulatory mechanism and enforcement mechanism both need to be proactive in preparation and active in execution (Hilbig & Zettler, 2015).

The cost of sticking to ethical behavior may deter some from resorting to changed stances. Ethical ambivalence may be discouraged or even tolerated in different organizational contexts (Jensen & Glinow, 1985).

It maybe even managers are encouraging such behavior knowingly or unknowingly (et al, 2006). In all these cases, one may better remember the “ethical downhill” examples.

Family context, self-image, and grooming/mentoring one received might contribute to what we do and how we act. One may project differently for reasons (Leavitt & Sluss, 2015). Organizations are run by the managers and tomorrow’s managers come out from today’s management schools. The teachers at business schools often observe the “take it easy” attitude and ethical compromises they witness in students’ assignments and projects and wonder whether the same shall be replicated in real life situations as well, as these become tomorrow’s managers (Lawson, 2004).

Most industries may be more or less prone to employee shortcuts, and different industries like airline are touched upon (Scott, 2003) for the deviation from the expected ethical conduct. A few may say that employee behavior may be contingent on situational factors and dealt with consideration (Scott & Jehn, 1999). There may be tools like appraisals where in 'beyond performance' factors may also be considered. But there may be many reasons why performance appraisal in the organizations fail and how one may attempt to fix (Murphy et al, 2018) but whether the 'means' are given more weight is an important question. Somehow achievement is one concept but not deviating from core values is an important approach.

There could be many types of deviances, production, property, and personal behavior etc. (Vardi & Wiener, 1996). Consciously people may be aware of the upside and downside of the decision involved, especially when risking dishonesty. Consciously aware but less practicing becomes rational dishonesty (Yaniv & Siniver, 2016). Additionally, governance plays an important role in the entire ethics "administration". Governance in general is often more critical of the crime done by the blue collared segment. The white-collar crime gets

executed in a neat manner and even when it gets noticed, the stakeholder silence is noteworthy (Coffin, 2003).

Methodology:

This study approached the literature for a systematic appreciation around different aspects of ethical conduct in organizations. This study has also factored in the softer observations of the industry in terms of unethical conduct reported. The theory building shall be the next step in terms of integrating perspectives and convergence arrived for full theory development. Towards, that a framework development is attempted here and the same is presented below.

Results & Discussion:

The Sustainable Ethical Conduct framework is developed here based on the literature review and usecase based observation from the business world. Some of the example usecases are compiled for building the framework.

With the appreciation of the four quadrants and related possibilities, the developed framework is presented here along with the impinging and moderating factors along each of the dimensions.

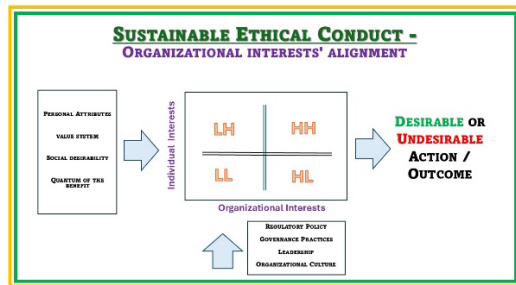


Figure 1

Conclusion:

Sustainability of organizations lies in the sustainability of different actions taken along the lines of different value chain functions. Similarly, different stakeholders do contribute to these actions and their own context, attributes, motivation decides the ethicality of action. Based on the desirability of actions, interests of the micro-individual and macro-organization level are involved. During the exploration of the literature and scanning for the relevant usecases, important variables are identified.

Next level of research exploration needs to be along the moderating influences of other or different factors, the strength of relations between the identified variables. If contrasting actions emanating from two different organizations for a similar context, then the contrast has to be explained satisfactorily. The qualitative exploration and quantitative pursuing for the strengths of relations have to happen and future research

needs to pursue these matters by controlling the context.

Given the numerous instances that are getting highlighted in terms of dishonest or unethical conduct, and often the involvement of senior leadership (or even promoters), and failure of the regulators makes this topic highly relevant. The explanation for “why” has to be provided. While the materialistic fatal attraction is pulling people to abuse ethicality to be embedded in the actions, understanding the phenomenon shall help us in pursuing the matter favorably further. Future research shall lead us to more desirable outcomes and hence an unfolded future is the hope and promise waiting for.

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