Understanding Immoral Conduct in Business Settings
A Behavioural Ethics Approach
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Address given in shortened form at the occasion of accepting the appointment as endowed professor of Behavioural Ethics on behalf of the Vereniging Trustfonds Erasmus University Rotterdam, at the Rotterdam School of Management, Erasmus University Rotterdam on Friday, December 19, 2014

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Abstract

In the past decades, the world has observed a large variety of business scandals, such as those at ENRON, WorldCom, AHOLOD, Lehman Brothers, and News of the World. These scandals caused economic damage and undermined the trust that governments, shareholders, and citizens have in the corporate and financial world. In response, the scientific study of moral and immoral conduct of organizational managers and employees – referred to as “behavioural ethics” – has rapidly grown into an accepted field of scientific enquiry. In this inaugural address, I distinguish behavioural ethics from traditional philosophical views of business ethics, and present a brief overview of the history and the current status of the field. I illustrate how progress can be made in the field of behavioural ethics using examples from my own research in the areas of organizational justice, ethical leadership, and power / hierarchy. I then present a research program that addresses some critical limitations of the field. I close by addressing how insights from behavioural ethics research can be made more practically relevant by integrating them in the curricula of business schools and by applying them to design interventions aimed at improving the moral conduct of organizational managers and employees.

Samenvatting

De afgelopen decennia is een grote variëteit aan schandalen in het bedrijfsleven aan het licht gekomen, zoals de schandalen bij ENRON, WorldCom, AHOLOD, Lehman Brothers en News of the World. Deze schandalen hebben economische schade teweeg gebracht en ze hebben het vertrouwen ondermijnd van overheden, aandeelhouders en het grote publiek in de zakelijke en financiële wereld. In reactie op deze ontwikkelingen heeft de wetenschappelijke studie van moreel en immoreel gedrag van werknemers en managers van organisaties – gewoonlijk omschreven als “behavioural ethics” – zich snel ontwikkeld tot een geaccepteerd veld van wetenschappelijk onderzoek. In deze inaugurale rede maak ik een onderscheid tussen behavioural ethics en traditionele filosofische benaderingen van bedrijfsethiek. Ook presenteer ik een kort overzicht van de geschiedenis en de huidige staat van het veld. Ik illustreer hoe vooruitgang kan worden geboekt aan de hand van voorbeelden uit mijn eigen onderzoek naar rechtvaardigheid in organisaties, ethisch leiderschap en macht / hiërarchie. Ik presenteer dan een onderzoeksprogramma dat ingaat op enkele fundamentele beperkingen van het veld. Ik eindig met aan te geven hoe inzichten van behavioural ethics onderzoek meer relevant kunnen worden gemaakt voor de praktijk door geïntegreerd te worden in de onderwijsprogramma’s van business schools en door deze inzichten toe te passen bij het ontwikkelen van interventies om het gedrag van organisaties en hun leden meer moreel acceptabel te maken.
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1. Introduction

Dear Rector Magnificus of the Erasmus University
Dear board members of the Vereniging Trustfonds
Dear deans of the Rotterdam School of Management
Dear family, friends, colleagues, and students
Dear distinguished guests,

The start of the twenty-first century revealed corporate scandals of perplexing magnitude, such as the Enron, Worldcom, and Parmalat debacles. This left society shocked and millions of shareholders and employees financially hurt. More recently, the global banking and economic crises that started with the bankruptcy of Lehman Brothers in 2008 has further stimulated governments, local communities, shareholders, and employees to put pressure on organizations to manage their employees and managers in ways that reduce immoral conduct. Partly as a response to these developments, researchers have increasingly taken up the social scientific study of moral and immoral conduct of organizational managers and employees. This scholarly field of inquiry is commonly referred to as “behavioural ethics”. Put simply, in order to prevent immoral behaviour in business settings, we first need to ask why people behave in immoral ways. In an attempt to answer this question, the empirical study of why organization members and managers behave in immoral ways has gained enormous momentum and has grown into a legitimate research field (Ambrose, Schminke, & Reynolds, 2014).

In this inaugural address, I will first define behavioural ethics and distinguish it from traditional philosophical (normative) approaches to business ethics. I will then give a brief overview of behavioural ethics research, present some findings from my research, and show how my research has contributed to progress in the field of behavioural ethics. Next, I will identify a number of limitations of the current state of the field and present an agenda for future research. Finally, I discuss various ways in which behavioural ethics research can be made more relevant for society.
2. Behavioural Ethics

The field of behavioural ethics is commonly defined as studying “individual behaviour that is subject to or judged according to generally accepted moral norms of behaviour” (Treviño, Weaver, & Reynolds, 2006, p. 952). However, what kinds of behaviours do people consider to be moral or immoral (rather than amoral)? Research has identified two widely (and cross-culturally) accepted principles that people apply when they judge whether behaviour is moral (versus immoral). The first is the principle of care vs. harm. This refers to preventing harm or suffering when interacting with others. The second is the principle of fairness vs. cheating. This refers to the protection of abuse by a party who takes more than it gives in social exchange situations (Graham et al., 2011). Large scale business scandals almost always violate one or both of these principles. For example, in the 2011 “News of the World” scandal, journalists hacked phones of celebrities, politicians and members of the British Royal Family, and even the phones of a murdered schoolgirl, relatives of deceased British soldiers, and victims of the London 2005 bombings. This behaviour clearly violates the principle of care vs. harm. The continuous and angry debate about overly high salaries and bonuses in financial institutions is an example of the importance of the fairness vs. cheating principle. Both principles thus consider moral behaviour as resulting from the suppression or regulation of selfishness, making social life possible (cf. Haidt & Kesebir, 2010).

Although the field of behavioural ethics is still relatively new, it builds upon classic research programs, for instance, in the area of social psychology. Famous examples are the “Milgram Studies”, which showed that people are willing to harm others and even put others’ lives in danger just because an authority that they perceive as legitimate asks them to do so (Milgram, 1965). Another classic forerunner of the field of behavioural ethics is the “Stanford Prison Experiment” (Zimbardo, Haney, Banks, & Jaffe, 1972). This study showed that people are likely to act in line with the role they take on, even if this role (i.e., a prison guard in this study) “prescribes” them to dominate and even humiliate others (i.e., prisoners). Yet, behavioural ethics integrates current insight from the fields of organizational behaviour, management, moral, social, applied, and cognitive psychology, and behavioural economics.

In building on these various social scientific fields of empirical enquiry, behavioural ethics also differs from traditional philosophical views of ethics. Three philosophical traditions have strongly influenced business ethics scholars. The first is Aristotle’s virtue based approach to morality which focuses
on the extent to which a person’s action is motivated by certain morally desirable traits. The second is consequentialism, with as most prominent proponent David Hume (1739). This approach considers an action as morally good if its consequences are desirable, and morally wrong if they are not. The third is deontological thinking, proposed by Immanuel Kant (1724-1804). This approach notes that moral behaviour is behaviour that complies with important rules and obligations. These approaches to business ethics are normative because they prescribe which behaviours are morally acceptable and which are not.

Normative approaches to business ethics are useful to delineate the moral appropriateness of the behaviour of companies and their members in complex situations. For example, most western people find it morally inappropriate to employ children. Yet, children in third world countries often contribute significantly to family income. Thus, firms stationed in third world countries may decide not to employ children, or to fire those who are working for them. As a result, these children may find dangerous employment in drug production or in prostitution, to avoid starvation for themselves and their families. In this complex situation, normative approaches provide guidelines about what is right and wrong. However, only prescribing what is right and wrong is not sufficient to prevent immoral behaviour. Behavioural ethics researchers aim to understand what makes people behave in morally appropriate vs inappropriate ways, rather than focusing on the normative question of which behaviour is morally appropriate.

One factor that shapes people’s moral behaviours may be their moral reasoning ability. Partly as a result of the pervasive influence of philosophical traditions on thinking about business ethics, rational perspectives dominated ethics research for decades. One influential example that puts rational thought processes front centre is Kohlberg’s theory of moral development (Kohlberg, 1984). This theory suggests that people’s level of moral reasoning progresses increasingly from simple to complex stages. These stages are usually measured by analysing and classifying people’s responses to moral dilemmas. However, researchers have found that levels of moral reasoning have very limited effects on people’s actual moral behaviour, while many other dispositional and situational factors have clearly stronger effects (Cohen, Panter, Turan, Morse, & Kim, in press; Kish-Gephart, Harrison, & Klebe Trevinõ, 2010). Thus, one can display sophisticated levels of moral reasoning ability and at the same time be unwilling to help others at the expense of one’s own outcomes. This limited role of moral reasoning in shaping moral behaviours suggests that other, non-rational factors such as situational influences, intuition, and emotions may also contribute to moral behaviours (Krebs, 2008).

As a result, behavioural ethics researchers recognize that to understand what makes organization members act in moral or immoral ways requires much more than viewing human beings as rational actors (Tenbrunsel & Messick, 1999), and have started to examine intuitive, emotional, and social influences on moral behaviours (Zhong, 2011). For example, the emotion of disgust has been shown to be an important driver of moral evaluations and behaviours, even evaluations of common fairness norms (Pizarro, Inbar, & Helion, 2011). An example of the role of intuitive processes is provided by research showing that when people are cognitively taxed (which is often the case in work situations), they tend to fall back on automatic action routines. Such routines can easily lead to immoral behaviour, particularly if the direct social impact of one’s actions is not immediately visible (Pitesa, Thau, & Pillutla, 2013).

The vast scope of the field of behavioural ethics can be illustrated using Kish-Gephart et al’s (2010) classification of factors that have been argued to influence organization members’ moral versus immoral behaviour. These authors distinguish between characteristics of individual organization members, characteristics of the moral issue at hand, and contextual / organizational factors as antecedents of (im)moral behaviour. Individual factors describe individual differences in personality or abilities, and psychological processes that facilitate the display of (im)moral behaviour. Studying this first class of factors has sometimes been labeled a “bad apple” approach to the study of behavioural ethics. In addition to research studying intuitive and rational processes involved in the production of moral judgment and behaviour, such research focuses, for instance, on chronic individual difference factors that shape moral behaviour, such as Machiavellianism (i.e., the extent to which one uses cunning and deception in social interactions) and moral identity (i.e., the extent to which being a moral and prosocial person forms a central part of one’s self-definition; Cohen et al., in press). An example of a psychological process is the study of trust in others (i.e., accepting vulnerability), which makes it subjectively “safe” for people to focus on others’ welfare, rather than on their short-term self-interest.

Characteristics of the moral issue at hand refer, for instance, to whether or not an action has large, negative consequences for the actors or the collectives that are harmed and whether there is social consensus that an action forms a clear norm transgression (Reynolds, 2006).
Contextual antecedents of (im)moral behaviour refer, for instance, to the type of climate (e.g., an ethical climate), organizational decision making procedures (e.g., fair versus unfair decisions), leadership actions that characterize organizations (e.g., ethical leadership, abusive supervision), and the workings of the organizational hierarchy and power distributions (e.g., when does power lead to corrupt and selfish behaviour, and when does it facilitate morally appropriate behaviour?).

This classification highlights the vast scope of the field of behavioural ethics research. An important direction for researchers is not only to identify individual, issue related, and contextual factors that shape organization members’ ethical decisions and behaviour, but also to study how these processes operate and how variables from one class of antecedents interact with variables from other classes of antecedents in shaping moral behaviour. Next, I will give you an overview of my own contribution to the field by doing so.

3. Behavioural ethics and my own research

To offer a meaningful contribution to the field of behavioural ethics, it is my firm conviction that it is not only important to integrate theorizing and substantive findings from the fields of management, psychology, and behavioural economics, but that it is also necessary to assume an integrative focus when it comes to methods of research. Preferred research methods differ strongly between the various fields, with an emphasis on laboratory experiments in social and cognitive psychology and behavioural economics, and a preference for survey methods in management and applied psychology.

The use of laboratory experiments in behavioural ethics studies has been subject to criticism. One important criticism is that this research often asks people to evaluate certain unrealistic morally contentious scenarios, such as scenarios describing consensual sex between siblings, or the permissibility of throwing a fat man in front of an out of control trolley to stop it from killing five people. This overreliance on evaluations of a small set of relatively peculiar scenarios has been argued to be problematic because there is more to morality than just moral evaluations, and the relation between moral evaluations obtained in the lab and actual behaviour may be weak (Abend, 2012). Hence, a full understanding of the psychology of morality requires focusing on actual moral behaviour in controlled laboratory contexts and also in realistic organizational contexts.

I will outline three broad research areas that are developing rapidly, that have immediate implications for organizational practice, and to which I have contributed with my own research. These areas are (i) organizational justice as antecedent of (im)moral behaviour of organization members, (2) the complexities involved in ethical leadership, and (3) power and hierarchy as contextual factors that shape the display of (im)moral behaviour of organization members. These broad areas map well on the three antecedents of (im)moral business conduct that I described above, i.e., individual, issue related, and contextual antecedents (Kish-Gephart et al., 2010). In these streams of research, I focus on behavioural outcome variables that are of direct moral relevance. More specifically, I focus on factors that determine whether people act in pro-social (versus selfish) ways. By revealing factors that shape people’s moral or immoral behaviours, my research identifies different ways in which organization members suppress or regulate selfishness, thus making organizational life possible (Haidt & Kesebir, 2010).


3.1 Organizational justice

Organizational justice refers to the perceived fairness of outcome distributions, decision making procedures, and interpersonal treatment by organizational authorities (Tyler, 1988). The study of social justice started from an interest in the fairness of outcome distributions (e.g., salaries and promotion opportunities in organizational contexts). Later, researchers moved on to focus on the fairness of organizational decision making procedures that produce these outcomes and the fairness of interpersonal treatment. Research shows that fair procedures and treatment (often more than fair outcomes) reveal many positive effects on important employee attitudinal variables such as job satisfaction, organizational commitment, and trust in authorities (Cohen-Charash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001). These positive effects result because people value justice as an end in itself (i.e., for moral reasons), but also because high justice reduces uncertainty, enhances perceptions of control, and signals that one is a valued organization member (Cropanzano, Byrne, Bobocel, & Rupp, 2001).

Justice research is highly relevant to the field of behavioral ethics because it has been shown that, in addition to promoting various attitudinal outcomes, justice increases the likelihood that members of social collectives such as work organizations support the wellbeing of the collective and its members, rather than indulging their self-interest (Cohen-Charash & Spector, 2001; Colquitt et al., 2001). Such behaviours are of direct moral relevance. Regrettably, our understanding of how, when, and why justice promotes such moral behaviours is rather limited (Blader & Tyler, 2005). In my own research, I have focused on increasing our understanding of these how, when, and why issues. One stream of research took a leader perspective and examined how leaders should coordinate the enactment of procedural justice with other aspects of their leadership style in order to stimulate moral employee behaviour. For example, in a set of studies that I conducted with David De Cremer, David Mayer, and Niels van Quaquebeke (in press) we argued that, in addition to requiring motivation to support the collective, moral behaviour requires effective self-regulation (e.g., being effective at acting upon one’s goals and not becoming distracted by other, perhaps conflicting goals), in order to effectively act upon the motivation to support others. We tested this argument in laboratory experiments as well as in an organizational field study. Across these studies, we consistently showed that only people who are capable of effective self-regulation respond to procedural justice with heightened levels of moral behaviour. Thus, moral responses to procedural justice are not straightforward or easy; they require effective self-regulation. In terms of theorizing on motivation (e.g., Mitchell, 1997), justice provides direction to employee responses (i.e., by a willingness to display moral behaviour), but it may not always provide sufficient arousal, intensity, and persistence to actually result in moral behaviour.

In other research conducted with Tim Wildschut, Joost Leunissen, and Constantine Sedikides (2014), we studied how organization members cope with the experience of injustice, and how they regulate their intention to act in moral or immoral ways. Injustice is likely aversive because it communicates to individuals that they are not respected and meaningfully connected to the collective and its representative authorities. In field and laboratory studies, we showed that the distinct emotion of nostalgia (i.e., a sentimental longing for the past) helps people to cope with injustice, and helps them to maintain high levels of moral behaviour even in situations in which dealing with unjust authorities or organizations. Nostalgia has this effect because, simply by reliving a valuable past relationship that is virtually always far removed from the organizational reality, it momentarily satisfies the need to be connected with others, thus making an experience of low justice less detrimental.
In sum, my contributions to our understanding of social justice processes have focused on understanding the processes that explain why and when justice makes organization members act in moral ways. This focus makes organizational justice research highly relevant to the field of behavioural ethics. To understand such processes, we need to consider the leader perspective and realize that enactment of justice is only one of many actions that leaders engage in. However, we also need to consider the perspective of followers – organizational employees – and study the self-regulatory processes involved in coping with injustice and responding to justice in moral ways.

### 3.2 Ethical leadership

A recent research development that has sprung up from organizational justice research is the study of ethical leadership. Ethical leadership is commonly defined as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making” (Brown, Treviño, & Harrison, 2005). Ethical leadership has generally been viewed as positive in that it promotes moral employee behaviour and makes employees less likely to display antisocial and deviant behaviours (Mayer, Aquino, Greenbaum, & Kuenzi, 2012).

In research conducted with a number of colleagues (Jeroen Stouten, myself, David Mayer, David De Cremer, and Martin Euwema, 2013), we addressed some of the complexities involved in making ethical leadership effective. In three field studies and an experiment, we showed that high levels of ethical leadership can have unintended consequences. Specifically, we found a negative, linear relationship between ethical leadership and antisocial employee behaviour: the more ethical the leader, the lower the risk of moral failure. But we also found a curvilinear relationship between ethical leadership and active prosocial employee behaviour: voluntary prosocial behaviour is highest at moderate levels of ethical leadership, and lower at low and high levels of ethical leadership. This is because followers perceive highly ethical leaders to disapprove of their more “normal” levels of ethicality. Thus, leaders face a trade-off between suppressing clear immoral behaviour and stimulating positive, moral behaviour.

In other research, we argued that the constant pressure that organizational leaders face may limit the willpower required to behave according to ethical norms and standards, therefore potentially leading to unethical leader behaviour (Joosten, van Dijke, Van Hiel, & De Cremer, 2014). Drawing upon the ego depletion and moral self-regulation literatures, we examined whether self-regulatory depletion may promote unethical leader behaviour. A laboratory experiment and a field study revealed that regulatory resource depletion promotes unethical leader behaviours, but this is the case only among leaders who do not feel morality to be a central aspect of their self-definition (i.e., leaders low in moral identity; Aquino & Reed, 2002). No such effect was found among leaders with a high moral identity. This research suggests that the chaotic and fragmented workdays of leaders may increase the likelihood that they violate moral norms.

In sum, my contributions to the study of ethical leadership have taken a leader focused perspective in showing that regulatory resource depletion increases the likelihood that leaders show unethical behaviour, at least among leaders who do not consider morality as a defining aspect of who they are. I have also taken a follower perspective in showing that followers do not necessarily respond in desirable ways to high levels of ethical leadership: high levels of ethical leadership lead to low levels of outright selfish and antisocial behaviour, but active, prosocial behaviour is also lowered, relative to followers experiencing more moderate levels of ethical leadership. By taking this dyadic perspective, my research captures complexities involved in the effectiveness of ethical leadership in promoting ethical employee behaviours.

### 3.3 Power, hierarchy, and moral behaviour

Power is typically defined as the ability to influence others because one controls important resources or is in the position to deliver punishment (e.g., French & Raven 1959, Keltner, Gruenfeld, & Anderson, 2003). Hierarchies and power differentiations are defining dimensions of organized collectives (Anderson & Brown, 2010; Magee & Galinsky, 2008). Scholars have made various claims about how the possession of power is related to moral behaviour. Some research has shown that a high power position undermines such behaviour (e.g., Kipnis 1972), whereas other research has shown that high power promotes it (e.g., Willer 2009). Recent research suggests a way to reconcile these seemingly contradictory findings by showing that power facilitates effective goal striving (Guinote 2007). Thus, whether power promotes or undermines moral behaviour is dependent on whether this behaviour is in line with an active goal. For example, it has been shown that power can promote moral behaviour by facilitating the display of chronic (i.e., personality based) moral goals in behaviour (Chen, Lee-Chai and Bargh 2001, DeCelles, DeRue, Margolis and Ceramic 2012).
with moral behaviour. We found support for these predictions, as well as evidence for the unique processes that explain these opposite interaction effects in three field studies conducted in the US and Europe.

In sum, my research on power and hierarchies has strongly focused on when and why power facilitates the display of moral behaviour, and what the nature is of the motive that explains why people care for power. People do not appear to want power to dominate others, but want it to be free from the influence of others. And power can facilitate the display of moral behaviour in organizations by making organization members more willing to act in moral ways, in response to positively experienced contextual conditions, but also by making organization members more able to act on their moral motivations.

I have contributed to this debate in different ways in my research. For instance, together with Matthijs Poppe (2006), I took a closer look at what the power motive actually is. It has often been proposed that people are intrinsically motivated to gain or increase power over others (e.g., McClelland, 1975; Ng, 1977; Winter, 1996). We argued that theoretical foundations of such a claim are weak. Moreover, empirical support for this claim may be more convincingly explained by strivings to increase one’s sense of agency by decreasing dependence on others, rather than by strivings to increase power over others. In two experiments, we showed that people are mostly interested in increasing their personal agency, by decreasing their dependence on the other person’s power. We found no evidence that people want to increase their power over others. In fact, they even seem to decrease it when they are very superior in power themselves. These studies thus support the idea that the power motive is a less “dark” force underlying human behaviour than has commonly been assumed.

In another series of studies conducted with Gerben Langendijk, David De Cremer, and Cameron Anderson (2014), we addressed the role of power in facilitating the behavioural expression of moral goals. Unlike prior research, we did not focus on moral goals that derive from chronic individual difference factors (i.e., personality), but on those that derive from contextual influences. As contextual influence, we focused on procedural justice, a factor that is known to promote the adoption of moral goals among organization members. We argued, in line with prior research, that the power of organization members influences whether they are successful in striving towards moral goals. Yet, we also argued that power influences whether organization members adopt moral goals in the first place. The specific role of power (i.e., in adopting a moral goal or acting upon it) depends on how it is operationalized. We argued that organization members in lower (relative to higher) hierarchical positions are relatively likely to adopt a prosocial goal in response to high procedural justice and, consequently, respond to procedural justice with a relatively strong display of moral behaviour. We expected this because lower ranked organization members lack information about the integrity of top management, meaning that they are relatively likely to pay attention to the fairness of decision making procedures (Lind, 2001). In contrast with the role of low hierarchical position, we argued that a high subjective sense of power facilitates striving towards the cooperative goals that one adopts in response to high procedural justice. A high (or low) sense of power is unrelated to the availability of information about top management’s integrity, but it is known to facilitate goal striving. Thus, in contrast to our argument on the role of low hierarchical position, we argued that particularly organization members with a high sense of power respond to procedural justice.
4. Looking Ahead

In the previous sections, I have presented a brief, incomplete sketch of the field of behavioural ethics and provided illustrations of some of my own contributions to this field, focusing in particular on research that has direct relevance to organizations. This overview shows that behavioural ethics scholars address issues of fundamental theoretical interest that can also be of considerable practical importance to organizations and society at large. Yet, a number of challenges remain. In this closing section, I address two challenges that I consider particularly important. Addressing the first challenge leads to formulating an agenda for future research. Addressing the second challenge makes the theories and findings that emerge from behavioural ethics research more relevant to society, by helping organizational managers and employees to act in morally appropriate ways.

4.1 Towards a comprehensive research program

One important contribution of behavioural ethics research for our understanding of moral behaviour in business contexts is that we now acknowledge that social context strongly influences individuals’ moral judgment and behaviour. Yet, research has continued to focus strongly on the behaviour of individuals (albeit in their social context). I argue that the field of behavioural ethics is likely to benefit considerably from studying moral behaviour originating from and shaping a collectively shared reality (including shared affect, intuitions, and automatic processes). Research in management and applied psychology has shown that the organization’s ethical climate correlates with the moral behaviour of individual organization members (see Kish-Gephart et al., 2010 for a meta-analysis). Yet, little is known about how affect, intuitions, and automatic processes may shape ethical climates, or how such climates shape affect, intuitions, and automatic processes relevant to moral decision making and behaviour.

Some research in psychology has studied shared affect and emotions (Cropanzano, Stein, & Nadisic, 2011). In fact, some work has even identified processes that explain how emotions become shared, such as emotional contagion (Barsade, 2002). To the extent that automatic and intuitive processes have an emotional component, similar processes may explain why specific affective and intuitive responses become shared aspects of social collectives that shape the moral behaviours of their members. But intuitive responses that shape moral behaviour may also result from other types of unconscious social learning processes (Bargh & Chartrand, 1999).
Behavioural ethics researchers have also neglected to study how individual, issue related, and contextual factors shape specific moral behaviours in organizations, and whether there are meaningful intra-individual fluctuations in moral behaviour. This likely is an important neglect. The only study that I know of that addresses this is experimental research indicating that people are more likely to lie and cheat in the afternoon than in the morning. This is because many accumulated unremarkable events of everyday life undermine the capacity for effective self-regulation (Kouchaki & Smith, 2014). Yet, meaningful intra-personal variations in behaviour exist, for instance in terms of work performance (e.g., over the course of a work day or a work week), and this intra-individual variation has been linked with various contextual and individual difference antecedents (Dalal, Bhave, & Fiset, 2014). It is likely similarly important to assess intra-individual fluctuations in moral behaviour (e.g., in terms of contributing to the collective, or conversely, harming the collective) as a function of contextual and stable individual difference factors.

Thus, the integrative study of behavioural ethics at macro, meso, and micro levels of analysis can bring benefits in terms of research integration and integrated thinking about these different levels. Specifically, this requires studying behavioural ethics as a collectively shared phenomenon (i.e., the macro level) while simultaneously considering how various factors shape specific behaviours (i.e., the meso level), and how such behaviours may have intra-individual fluctuations (i.e., the micro level). This may result in meaningful integration of theories that have typically had an impact in the fields of organizational behaviour and strategy. It may also facilitate integration of behavioural ethics theory with more traditional business ethics paradigms, and vice versa. This may result in meaningful integrated thinking about these different levels. Specifically, this requires studying behavioural ethics as a collectively shared phenomenon (i.e., the macro level) while simultaneously considering how various factors shape specific behaviours (i.e., the meso level), and how such behaviours may have intra-individual fluctuations (i.e., the micro level). This may result in meaningful integration of theories that have typically had an impact in the fields of organizational behaviour and strategy. It may also facilitate integration of behavioural ethics theory with more traditional business ethics paradigms, which have, for instance, often focused on how whole organizations should act in the broader societal context (i.e., in the child labour example provided earlier on).

4.2 Making behavioural ethics insights useful to society

Challenges for behavioural ethics scholars are not limited to their research agenda. Another challenge is to make current (and future) research findings more useful to the curricula of business schools and to organizations and society at large. Many business schools view and present themselves as developers of future managers who are high in moral awareness (Rasche, Gilbert, & Schedel, 2013). Furthermore, increased awareness of the negative effects of immoral behaviour in business settings has strongly increased interest in moral education (Weber & Wasieleski, 2013). The majority of existing moral education programs is aimed at improving moral reasoning skills by communicating important moral principles and standards to participants and by encouraging them to think through and discuss moral dilemmas (LeClair & Ferrel, 2000; Lo, Ferrel, & Mansfield, 2002). Yet, there are important limitations to these programs. First, the content and setup of most programs seems to be based mainly on personal preferences of the instructors and on outdated theory. Most programs are not evaluated at all, and the few studies that have been used to evaluate some of the programs do not meet standards for evaluation studies (i.e., using the best possible approximation of a randomized controlled trial). Some studies (although they do not meet the ideal evaluation standards) suggest that programs designed to improve moral reasoning are successful in this. Yet, there is no evidence that such programs also improve moral behaviour, either in the short or long term (Weaver, Reynolds, & Brown, 2014; see also Christensen, Peirce, Hartman, Hoffman, & Carrier, 2007; Gicalone & Promislo, 2013).

One major conclusion of behavioural ethics research is that moral decision making and action do not solely (or even principally) rely on rational, controlled reasoning processes. Instead, intuitive and emotional influences play a large role. Behavioural ethics research thus suggests that current moral education program are not successful in improving moral behaviour because they address only a small subset of antecedents of moral behaviour, a type of antecedents that may not promote moral behaviour at all (Cohen et al., in press). In fact, such programs could even have unwanted effects because they may train participants in justifying their behaviour, even immoral behaviour (Gini, Pozzoli, & Hauser, 2011; Moore & Tenbrunsel, 2014). All this does not imply that moral education is useless. It implies that effective moral education methods should address how to deal with automatic and emotional influences on moral judgment and behaviour.

Insights from behavioural ethics research suggest that individuals should be taught to understand how their moral intuitions and emotions are influenced by particular social contexts. This might allow people to understand which situations to avoid and which to seek out. Two interesting tools in this respect are emotion regulation and emotion reappraisal. Emotion regulation is the ability to respond to new events with appropriate emotions and to regulate or delay strong emotional responses. Reappraisal refers to the ability to reflect on the cause and content of a particular emotional response and to adjust the emotion. Importantly, research indicates that both abilities can be improved by training (Dufresne & Offstein, 2012; Feinberg, Willer, Antonenko, & John, 2012), suggesting that such training could play a role in moral education.
Moral education programs may also address automatic processes involved in moral evaluation and behaviour. People can learn new automatic processes (Wegwarth, Gaissmaier, & Gigenrenzer, 2009). Indeed, the essence of many types of training (e.g., sports training) is precisely to learn new automatic cognitive or behavioural routines. Moral education may need to become more a type of training that addresses the learning of automatic responses that are better suited to issues at hand. It is also possible to train people to make automatic processes less effective in influencing judgment and behaviour (Paas, Renkl, & Sweller, 2004). Yet, developing appropriate moral intuitions and responses requires a focus on long-term habit development, rather than on immediate learning of information such as is common in many learning settings.

Furthermore, as a host of contextual factors shape moral behaviour, there is no doubt that the long-term success of a moral education program depends on the broader organizational context in which participants function. General factors that facilitate the effective implementation of any intervention such as transparent decision making and giving organization members a say in the content and setup of the intervention can be important in making moral education programs effective (Bartunek & Moch, 1987). However, a successful moral education program, particularly one that aims to promote moral behaviour in the long term, probably also requires a number of contextual factors that are specific to this type of intervention. The so-called “ethical infrastructure” of the organization may be relevant in this regard. The ethical infrastructure of an organization determines the extent to which an organization offers the right conditions to encourage moral behaviour and to mitigate immoral behaviour. It consists of formal and informal communication, control and sanction systems, and a climate where morality, respect, and justice play an important role (Tenbrunsel, Smith-Crowe, & Umphress, 2003). Research suggests that morality must be embedded in the formal and informal systems, and in the working climate of the organization in order to provide the right conditions for individual organization members to display moral behaviours (Aquino, Tripp, & Biss, 2006; Trevino, Butterfield, & McCabe, 1998). In order to be effective in the long term, moral development programs should thus be extended beyond formal training programs that are offered to organizations.

It may even be possible to train moral behaviour among organization members based on insights from behavioural ethics during their daily work activities. One potentially promising development in this regard is the method of ecological momentary interventions (EMI), which is being developed in health and clinical psychology (Heron & Smyth, 2010). EMI refers to treatments that are provided to people in real time during their everyday lives, in natural settings. An example from health psychology is that persons who participate in a smoking cessation intervention receive a message on their smartphone with tips on how to deal with cravings at the time when they often smoke. Such interventions could also be targeted to help organization members deal with emotional and automatic influences on moral decision making and behaviour, to the extent that these influences are ineffective. For instance, in situations in which organization members are likely to fall back on automatic routines (such as when their job is temporarily very demanding), which may make them act in less moral ways, they may be automatically contacted with suggestions on how to deal with this.

Finally, behavioural ethics scholars should not only take current knowledge about factors that shape moral behaviour seriously when designing moral education programs, they should also evaluate these programs seriously. Ideally, an evaluation study takes the form of a randomized controlled trial in which the effectiveness of a moral education intervention in terms of promoting moral behaviour (and not just moral reasoning) in the short and long run is compared with relevant control groups. Given the nature of the behaviour under consideration, it may be necessary to collect data from individual participants in a training session and also co-worker or supervisor assessments of the focal participant’s behaviour. Finally, the effectiveness of an intervention should not simply be compared with no intervention, but with a meaningful control group such as a condition in which participants receive an established training in moral reasoning.
5. Concluding remarks

The field of behavioural ethics has provided an impressive set of findings that challenge our thinking about moral decision making and behaviour. Yet, there is a long road ahead for researchers to arrive at a more complete understanding of what shapes our moral behaviour in organizational settings. Furthermore, applying findings from behavioural ethics research to improve the conduct of organizational managers and employees is a difficult challenge, as is the promise of effective moral education. All this shows that the field of behavioural ethics is a vibrant field that will continue to be important in the future.

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7. References


