Ethical behaviour in business

Author: Nyasha Ziwewe . November 2021

For centuries, the story of good vs evil, good men versus bad guys, or right versus wrong has been told in novels and films. It is, without a doubt, the most common battle at the heart of all kinds of stories. As a result, it should come as no surprise that the same fight exists in corporate settings under the guise of ethical or unethical behavior. It's no secret that organizations want to be seen as ethical, as we've seen stories about possibly unethical behavior within organizations play out in the media regularly.

Allegations of unethical behavior in the workplace routinely make the front pages of newspapers, causing public relations disasters, operational disruptions, financial obligations, and, in some circumstances, entire organizational collapse. Given the serious financial and reputational implications of unethical behavior, as well as simple claims of unethical activity, it's no wonder that stakeholders evaluate organizational attempts to prevent, detect, and respond to it. Because of the heightened scrutiny, understanding the definition of workplace ethics, why workplace ethics are essential, and the single most important thing firms can do differently to support ethical behavior in the workplace is critical.

Understanding ethics in the workplace

Ethics in the workplace is defined as a moral code that directs employee behaviour regarding what is right and wrong in terms of conduct and decision-making. Ethical workplace decision-making considers the individual employee's best interests and the best interests of those who are impacted. Individual employees frequently struggle to operate ethically in the latter part of the definition. Furthermore, ethical behaviour should not be limited to individual employees; the organization should model ethical behaviour.

Why is ethical behaviour in the workplace important?

It's critical to recognize that ethical workplace behaviour can encourage positive employee behaviours that lead to organizational success, just as unethical workplace behaviour can result in bad headlines that lead to corporate failure. Simply put, organizational stakeholders, which include individuals, groups, and organizations of all kinds, form a connection with a corporate organization for the firm to safeguard its interests in a specified way. As a result, stakeholders and corporate organizations have a shared

expectation that they will operate ethically and in each other's best interests.

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A decision by the organization or a stakeholder to act unethically can strain the relationship and harm the organization's reputation. The greater risk of reputational damage and impact from bad headlines is frequently the driving force behind businesses' efforts to promote and support ethical behaviour and prevent and report unethical activity. Furthermore, in a world where many people are connected to social media via mobile technology, the risk of unethical behaviour damaging an organization's reputation is arguably much higher than in previous decades, as behaviour is more easily captured on video, photographed, shared online, and propelled into headlines.

However, there are advantages to ethical behaviour in the workplace that go beyond protecting one's reputation. Employee perceptions of an organization's ethical behaviour can lead to favourable consequences and greater financial results. Employee performance, job satisfaction, organizational commitment, trust, and organizational citizenship behaviours can benefit from a positive perception of ethical behaviour. Altruism, conscientiousness, civic virtue, sportsmanship, and civility are examples of organizational citizenship behaviours.

https://www.thehumancapitalhub.com/articles/Here-Are-The-Biggest-Ethical-Issues-Facing-Businesses

What can organizations do to encourage ethical behaviour in the workplace?

The good news is that businesses may take steps to build a positive narrative around their reputation by enacting policies that assure ethical working conditions and perceptions of organizational support. To report unethical activity, several businesses use reactive systems. However, the single most essential thing that firms can do differently to promote ethical behaviour is to build a proactive employee voice system and use the voice of the employee technologies to provide employees with the ability to be heard ahead of time.

Voice of the employee systems that effectively promote ethical behaviour and encourage reporting unethical behaviour meet five key criteria:

1. Elegance: be simple to comprehend, applicable to the entire organization and all personnel, and

capable of accurately diagnosing problems.

2. Accessibility: it should be simple to use, extensively advertised, and available to all employees.
3. Correctness: be well-executed and include complaints follow-up.
4. Responsiveness: be punctual, be responsive, be used by management, and demonstrate outcomes.
5. Non-punitiveness: maintain your anonymity and avoid retaliation – Employees and bosses must be safeguarded.

The problem is that while many firms deploy voice-of-the-employee systems with good intentions, the technologies utilized to create voice-of-the-employee systems are ineffective. Voice of the employee techniques, including interviews and surveys, should be used to uncover and stop unethical behaviour proactively:

- Using an Open-Ended Question: To ensure that all potential concerns are discovered, focus your voice of the employee efforts on asking an open-ended question about compliance awareness. Closed-ended questions don't allow you to expose all conceivable difficulties or all the details you need to grasp them.
- Externally: To ensure accuracy, the research should be undertaken by an independent third party to eliminate biases and hurdles that prevent employees from expressing their actual feelings about unethical behaviour in the workplace. Internally, it's likely that actual perceptions won't be exposed because employees aren't being completely honest with the company. Employees may not want to risk alienating management or burning a bridge. Data is systematically collected and thoroughly reported when conducted outside.
- Using Mixed Methodology – Asking "Why?" It is critical to use a mixed-methods research instrument that asks "why?" in an open-ended, qualitative manner to avoid limiting the scope of what can be learned from each employee to obtain detailed reasons for perceptions of unethical behaviour. Third-party researchers can conduct high-quality telephonic and web interviews to collect in-depth qualitative replies systematically. You can collect in-depth data and identify the fundamental causes of perceptions by asking fewer open-ended questions and particularly following up to inquire why the participant perceives unethical behaviour.

Data should be routinely gathered to track trends and development, and then used in following data gathering and analysis. External research employs a standardized question set, data collection technology, and a dependable technique to collect responses in a secure system that can be used for future reporting and analysis. This data can then be evaluated to see whether there are any difficulties with specific staff segments, departments, job groups, or even supervisors.

Further Reading:

https://www.thehumancapitalhub.com/articles/Ethical-Leadership-Everything-You-Need-To-Know

Nyasha D Ziwewe is a Software Developer at Industrial Psychology Consultants (Pvt) Ltd a management and human resources consulting firm. Phone +263 4 481946-48/481950 or email: nyasha@ipcconsultants.com or visit our website at www.ipcconsultants.com

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