

The Role of Business Ethics in Organizational Behavior

Ensuring the ethicality of organizational behavior in business settings is an integral factor in an organization's fulfillment of corporate social responsibility toward its community and stakeholders. The exhibition of corporate social responsibility, at all levels within an organization, fosters a positive public impression, or value image, of a firm. A positive value image contributes to the success of the firm, grants forgiveness in times of crisis, and speaks to a morally adept business. The role of business ethics can be easily intertwined with the many facets of organizational behavior. Diversity, leadership, and individual attitudes and behaviors within organizations are among the factors that influence, and are influenced by, business ethics.

Management of a diverse group of employees presents particular challenges, as those of different backgrounds or demographics may vary in their standards of ethics. The presence of age, gender, race, and cultural diversity in the workplace means a host of varying judgments on the ethicality of common workplace issues such as bribery, sexual harassment, theft, or dishonesty. Ethics management requires special effort particularly in cross-cultural business. Companies must consider the ethical context when dealing with what is viewed as unethical behavior in different countries, as the moral standards in other societies may influence actions and reactions that differ from what may be considered ethical by the local firm. Consideration of local culture is vital in choosing the right action to handle seemingly unethical situations. For example, an American company that bans the use of child labor in the factories of its contractors in Bangladesh is failing to consider the ethical context. Employment of young children in third world countries is common, and, in many cases, functions as these families' main source of income. It is likely that the termination of children from these factories would result in hardship for their families, or force them to work in more dangerous conditions. The diverse ethical standards of the world's many cultures renders it implausible that a single approach can lead to the best outcome in every circumstance. An organization's careful consideration of diversity, differing ethical standards, and situational context is

key to making proper organizational decisions and judgments that contribute to the success and value image of a firm.

Considering the role of leadership as a driver of ethical behavior may be useful in situations where organizations are suffering the consequences of ethical crises that damage their value image or threaten the success of the business. Ethical components of decision-making are often complex and unclear, even to those who are motivated to behave in a manner that is personally and professionally moral. Therefore, seeking guidance from influential leaders on how to behave within an organization, such as managers, may be helpful for employees attempting to make ethical decisions. Effective leaders should act as role models for ethical behavior, reward morality, punish immorality, and set high expectations for the level of ethics displayed in the workplace. All of this will contribute to the fostering of behavior that exhibits corporate social responsibility among employees, improving the stakeholders' perceptions of organizational ethicality as a whole. This contributes to job satisfaction, fosters dedication to the leader, and encourages honesty in times of crisis. Unfortunately, not everyone in an authoritative position can be considered a role model. Leaders can be tremendously influential in driving others to behave both ethically and unethically. Therefore, subordinates must make an effort to judge the effectiveness of their leaders based on the level of ethical behavior that they demonstrate. Both leaders and employees must work in conjunction to set the stage for an ethical organizational climate. In doing so, current and potential consumers, along with the external community surrounding a business, will maintain a positive perception of the manner in which the organization does business.

Organizations that embody ethical climates are likely to employ workers that value morality, become more committed to the firm, and maintain positive attitudes at work. This increase in organizational citizenship among employees will likely contribute to high levels of corporate social responsibility, ethical behavior, an improved company value image, and higher employee attachment to the firm. On the other hand, it may render employees blind to company faults. Highly committed employees may be less likely to recognize organizational misconduct and report unethical behavior when it occurs. Employees that maintain a moderate level of commitment to their organization may be more

likely to stimulate ethical behavior among their counterparts. Similarly, moderate levels of employee monitoring, rather than close monitoring, may work to reduce unethical behavior by presenting ethics as a shared company value. Close monitoring through video cameras or tracking of Internet usage may cause employees to feel that they are lacking respect and fair treatment. Even if close monitoring does help to mitigate occurrences of unethical behavior, it may reduce job satisfaction, commitment, and citizenship among employees. A vital aspect of business ethics in successful organizations is balancing ethics with other positive factors of organizational behavior. Therefore, limited monitoring and moderate commitment levels of employees, coupled with the stimulation of a mutually beneficial ethical climate for all workers, is what contributes to the success and positive value image of a firm.

Naturally, ideal conditions for perfectly ethical behavior in organizations are nonexistent. However, this is no excuse for unethical behavior among individual employees, nor for a lack of organizational commitment to a company's ethical standards. A number of factors of organizational behavior contribute to, and are affected by, business ethics. It is vital that the behaviors of all of a company's employees contribute to an ethical climate that better manages these factors. Diversity, leadership, and individual attitudes and behaviors are merely a few of many. Maintenance of corporate social responsibility within an organization, fostered by ethical behavior, will render a company likely to achieve success and maintain a positive value image among consumers and its surrounding community.