

ROOTS OF UNETHICAL BEHAVIOR

Why do some managers behave unethically? What factors inspire them to violate accepted principles of right and wrong, hampers the rights of stakeholder groups, or simply break the law? There is no simple answer to this question, but a few generalizations can be made. That generalization is called root cause of unethical behavior

Immoral Leadership

Leaders should play the role model in shaping and maintaining ethical behavior in the organization. But leaders and managers are unethical while doing their jobs. The unethical activity of managers directly impacts subordinates' behavior. If the managers or leaders are ethical then only their subordinates and followers will be ethical.

Employees with Poor Personal Ethics

It is the personal ethics and it can be separated from business ethics. Individuals are taught that it is wrong and unethical to lie and cheat and that it is right to behave with integrity and honor and to stand up for what we believe to be right and true. The personal ethical code that guides our behavior comes from a number of sources, including our parents, schools, religion, and the media.

Our personal ethical code exerts a profound influence on how we behave as businesspeople. An individual with a strong sense of personal ethics is less likely to behave in an unethical manner in a business setting and in particular is less likely to engage in self-dealing and more likely to behave with integrity.

Unrealistic Performance Goals

Top management sets highly ambitious performance goals for employees and puts pressure to achieve these goals that are unrealistic and can not be achieved through ethical activities. Unrealistic goals can be attained by corners or acting in an unethical manner. They will deal customers only about the pleasant parts of products and services. Sometime, they provide false information to meet unrealistic performance goals.

Failure to consider ethical issues

Businesspersons involve in unethical activities due to lack of ability to consider ethical issues. In fact there is no universally acceptable ethical code. Therefore some managers and employees try to justify their unethical behavior and activities saying that there is no absolute or universal code of ethics while showing the behavior.

Unethical Organizational Culture

Cultural norms are different from country to country, between communities, or people living in different geographical areas. For some countries, bribe is taken as expedite service and some other countries, it is taken as normal business practices.

Difference in Value

The values are different between managers and key stakeholders. Some business organization holds the value for profit maximization but stakeholders value for hiring minorities or women and safety of their neighborhoods. It makes difficult for one group of people to understand the action of other groups.

Governance System

The act or process of governing or overseeing the control and direction of something (such as a country or an organization). Usually there two major governance system i.e. relations based and rule based. Relations based governance system is less transparent and higher degree of corruption. Most of the developing countries of the world have relationship-based governance system..