Causes and Consequences of Unintentional Ethical Violation:

An Empirical Study

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Abstract: Unintentional ethical violations by employees occur due to a variety of reasons, including a lack of knowledge or understanding of ethical standards, workplace pressures, ambiguous policies, unconscious biases, organizational culture, and rapid technological advancements. This study, based on primary data from 20 purposively sampled employees (70% male, 30% female) aged 20-50 at Emporia State University, used interviews to identify factors contributing to unintentional ethical violations and their impacts on individuals and organizations. This paper investigates the causes and consequences of such ethical breaches, emphasizing their complex and multifaceted nature. The consequences of unintentional ethical violations can be severe for both individuals and organizations, including reputational damage, legal and regulatory repercussions, financial loss, operational disruptions, and decreased employee morale. Through a qualitative-empirical approach, this study identifies key factors contributing to these violations and provides strategic recommendations for organizations to mitigate risks. Effective strategies include comprehensive employee training and education, clear communication of ethical standards, and fostering an organizational culture that prioritizes ethics through robust reporting and whistleblowing systems. Adopting these measures can help organizations maintain their integrity, reputation, and operational efficiency by preventing unintentional ethical violations.

Key words: unintentional ethical violations, whistleblowing, ethical decision-making, workplace stress, unconscious bias, ethical breaches

JEL code: M1, L2

1. Introduction

Unintentional violation of ethical standards by employees refers to the accidental or inadvertent breaking of

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codes of conduct, principles, or moral values set by an organization. These standards are put in place to ensure that employees behave in a manner that is ethical, lawful, and in line with the company's values. However, there may be instances where employees unintentionally violate these standards due to a lack of knowledge, understanding, or awareness of the policies and procedures. This can happen due to various reasons, such as miscommunication, inadequate training, or even a lack of clarity in the policies themselves. It is important for organizations to establish clear and concise ethical standards and provide regular training and guidance to employees to prevent unintentional violations and maintain a positive work environment (Cullen, 2022). By doing so, organizations can minimize the potential for ethical breaches and ensure that employees are well-informed and equipped to make ethical decisions in their day-to-day work.

Ethical standards have gained attention in the business world in recent years (Donthu & Gustafsson, 2020). They guide moral conduct and play a crucial role in organizational functioning. Ethical standards affect not just what we do, but also how we do it. They impact workforce attitude, perception, performance, and commitment. Ethical standards need to be evaluated to shape group behavior. They affect the structural formation of an organization and can improve or weaken its effectiveness. Ethical standards also serve as a foundation for building trust and maintaining a positive organizational culture (Syakur et al., 2020). Ethics are not just a set of rules that apply to areas or topics. They are a way of life that should influence all practices, as they are universal phenomena that impact all aspects of life, including interactions, work life, and technology. In today's world, compliance with ethical and professional standards has become increasingly important due to recent business scandals and news reports, which have caused widespread distrust in the business world. This has led to a greater emphasis on the importance of compliance and the need for organizations to ensure that their employees are aware of and adhere to ethical standards to regain public trust and maintain a positive reputation. The purpose of this qualitative-empirical research is to investigate why organizations unintentionally observe unacceptable standards of conduct or sustain ethical breaches.

2. Literature Review

The ethical principles of an organization may differ, and it can be challenging to know why or when we are breaking ethical principles. Employees can achieve a better understanding of ethical breaches through various theoretical frameworks. By comprehending different theoretical frameworks, employees can gain insights into the consequences of their unintentional violations and ways to prevent future breaches. Kohlberg's Moral Development Theory suggests that individuals progress through stages of moral understanding, and those in lower stages may focus on personal gain over ethical considerations (Kohlberg, 1981). This theory can provide employees with a framework for self-reflection and growth, allowing them to identify areas for improvement in their decision-making processes. According to Rest's Ethical Decision-Making Theory, ethical behavior is a complicated process that depends on both individual and environmental factors. Unconscious breaches can occur when individuals fail to recognize ethical issues due to cognitive biases or competing pressures (Rest, 1986). By applying the steps outlined in Rest's Ethical Decision-Making Theory, employees can systematically analyze ethical dilemmas, consider the potential consequences, and make more informed choices that align with the organization's ethical standards. Bandura's Social Learning Theory highlights that behavior is learned through observation and imitation, suggesting that employees may unconsciously breach ethics if they see such behavior rewarded or normalized (Bandura & Walters, 1977). By recognizing the role of observational learning in ethical

behavior, employees can actively seek out positive role models and encourage a culture of ethical behavior within the organization. This can help create a supportive environment where employees are more likely to uphold ethical standards and avoid unintentional violations. In Agency Theory, conflicts of interest and information asymmetry can lead to unconscious breaches when agents pursue personal interests over organizational goals due to unclear ethical guidelines (Jensen & Meckling, 1976). Understanding the principles of Agency Theory can enable employees to identify and address potential conflicts of interest, ensuring that their actions prioritize the organization's objectives rather than personal gain. Finally, Victor and Cullen's Ethical Climate Theory describes how a weak ethical climate can lead to breaches when employees lack explicit norms or face pressure to conform to questionable practices (Victor & Cullen, 1988). By promoting a strong ethical climate within the organization and fostering a culture of transparency and accountability, employees can feel empowered to make ethical decisions and avoid unintentional violations of ethical standards. This can be achieved through establishing clear ethical norms, providing ethical training and education, and encouraging open communication channels where ethical concerns can be raised and addressed. By implementing these strategies, organizations can create an environment where employees are more likely to understand the importance of compliance and uphold ethical standards, reducing the occurrence of unintentional violations. These theories typically emphasize the intricate and varied nature of ethical violations and how factors relating to people, organizations, and circumstances affect them. Understanding the multifaceted nature of ethical breaches is crucial for organizations to develop comprehensive compliance programs.

3. Methodology

This study primarily relies on primary data collected from a sample of 20 employees, where 70% male and 30% female, at Emporia State University, aged between 20 and 50. The respondents were selected using a purposive sampling method. Respondents were interviewed to identify factors contributing to unintentional ethical violations and to discuss the impact of such violations on both individual and organizational performance. In addition to the primary data collected from these interviews, the study was enriched through a review of relevant books and articles. The collected data were analyzed using descriptive statistics to provide a comprehensive understanding of the issues at hand.

4. Factors Contributing to Unintentional Ethical Violations

Unintentional ethical violations committed by employees can have significant ramifications for both the employee and the organization (Liu et al., 2020). Therefore, it is crucial to identify the factors contributing to such violations to prevent them. A variety of complex factors contribute to unintentional ethical violations, including absent-minded rule violations, memory limitations, divided job attention, and underestimation of workplace rules (Ciulla, 2020). Respondents identified several factors that contribute to unintentional ethical violations. These factors are presented in Figure 1 and enumerated below.

4.1 Lack of Awareness or Understanding

Many ethical violations occur because individuals are unaware of ethical standards or fail to understand them fully. According to Turner et al. (2018), insufficient training or education can lead to a lack of understanding regarding ethical principles, resulting in inadvertent violations. Organizations may also fail to adequately

communicate their ethical expectations, creating ambiguity and leaving employees to make decisions based on their own, potentially incorrect, interpretations of what constitutes ethical behavior. According to Jones (2019), regular and comprehensive ethical training sessions that are tailored to the organization's specific context are essential in bridging this gap and ensuring that employees fully understand the ethical standards expected of them.

4.2 Pressure and Stress

Workplace stress, performance pressures, and tight deadlines can cloud judgment and lead to unethical decisions. As Menzel and Carson (2019) noted, high-stress environments often prompt employees to prioritize task completion over ethical considerations. In organizations where pressure is constant, the drive to meet targets can sometimes overshadow the need to adhere to ethical standards. Workers under stress might perceive ethical considerations as obstacles to achieving their goals, further compromising their decision-making abilities (Menzel & Carson, 2019). This situation is exacerbated if the organizational culture implicitly or explicitly rewards results over ethics, thereby reinforcing the message that achieving goals is more important than how they are achieved.

4.3 Organizational Culture

A company's culture heavily influences employee behavior. If a workplace prioritizes results over ethical conduct, employees may unintentionally breach ethical guidelines to meet perceived expectations (Schein, 2017). Cultural cues within an organization can create environments where ethical considerations become secondary to achieving targets. This can be particularly problematic in organizations where high performance is equated with personal and professional success. Employees in such environments might view ethical standards as barriers to achieving their goals, leading to unintentional ethical violations.

4.4 Ambiguous Policies

Unclear or poorly communicated policies can cause employees to inadvertently violate ethical standards. According to Becker and Huselid (2020), ambiguous guidelines leave room for interpretation, increasing the chances of ethical breaches due to misunderstandings. To reduce this risk, organizations should draft clear policies and provide regular training to ensure employees fully understand and can apply ethical standards.

4.5 Unconscious Bias

Implicit biases subtly shape decisions, often leading to unintentional ethical violations despite good intentions. Greenwald and Banaji (1995) note that these unconscious biases can affect hiring, evaluations, and promotions, leading to unequal treatment. Awareness and structured decision-making processes can help mitigate their impact. Organizations should also implement training to help employees identify and address biases.

4.6 Technological Advancements

Rapid technological changes can outpace ethical guidelines, creating situations where individuals unknowingly violate ethical standards. This is especially evident in emerging fields like artificial intelligence (AI), where ethical implications are often discovered retrospectively (Floridi & Cowls, 2019).

A male respondent states, "The pressure to meet tight deadlines often forces us to prioritize results over processes. Sometimes, it's challenging to navigate all the rules perfectly, even though we intend to act ethically." Figure 1 indicates key factors contributing to unintentional ethical violations, with lack of awareness or understanding (92%) being the most significant. Other notable factors include ambiguous policies (88%), technological Advancements (86%), organizational culture (84%), pressure and stress (81%), and unconscious bias (78%). These results emphasize the need for better ethical education, clear policies, and supportive
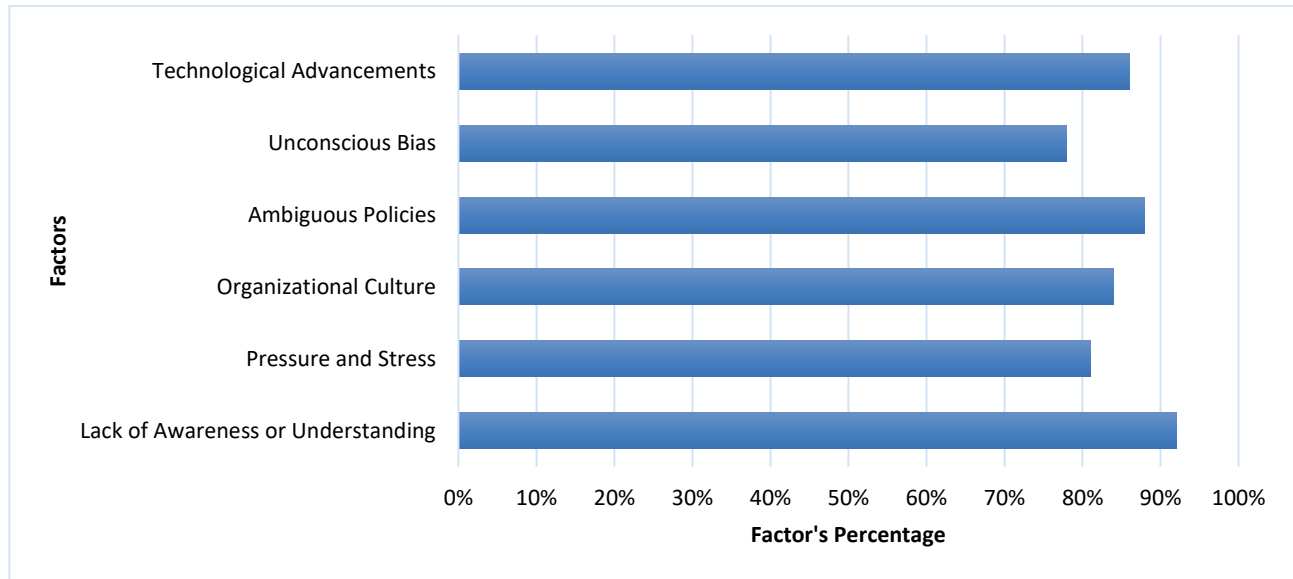
organizational cultures.

Figure 1   Factors Contributing to Unintentional Ethical Violations

5. Consequences of Unintentional Ethical Violations

Ethical violations can carry significant consequences for both individuals and organizations alike. While deliberate ethical wrongdoings are typically accompanied by severe penalties, unintentional ethical violations can also result in negative consequences. It is, therefore, crucial to comprehend the implications of unintentional ethical violations to avert their occurrence and uphold ethical standards. The consequences of unintentional ethical violations can range from personal harm, reputational damage, loss of business, and even legal penalties. Such consequences often result from a breach of trust, damage to relationships, and loss of credibility. Therefore, avoiding unintentional violations and upholding ethical standards to promote confidence, integrity, and respect in business or academic settings is crucial.

5.1 Reputational Damage

Unintentional ethical violations can severely damage an organization's reputation. As documented by Kaptein (2019), negative publicity can result in lost trust among customers, partners, and the public, which can take significant time and effort to restore. Negative publicity erodes trust among customers, business partners, and the wider public. This can lead to decreased loyalty and potential loss of business. Repairing a tarnished reputation can be challenging and time-consuming. It requires consistent, transparent communication and comprehensive corrective measures.

5.2 Legal and Regulatory Consequences

Ethical breaches may result in legal repercussions, such as fines, penalties, or lawsuits, regardless of intent. Grossman and Sharpe (2020) highlight that even unintentional violations can attract regulatory scrutiny, leading to significant consequences. Whether intentional or not, ethical violations can have severe legal and regulatory consequences. Regulatory scrutiny can also lead to increased oversight and stricter regulations, hindering the organization's ability to operate efficiently.

5.3 Financial Impact

Financial repercussions extend beyond fines, including revenue loss due to boycotts and diminished market value. According to Jones and Gillett (2018), organizations suffering reputational damage from ethical violations often face substantial financial losses.

5.4 Operational Disruption

Addressing ethical violations can disrupt business operations, necessitating significant resource allocation for damage control and affecting overall productivity (Hartman & Desjardins, 2021). Ethical violations cause considerable operational disruption, requiring organizations to allocate resources for damage control. This could involve external audits, internal reviews, and legal consultations, which consume resources that could otherwise be directed toward normal business operations. Ethical violations can also necessitate structural changes, leading to potential delays in project timelines and reduced efficiency.

5.5 Loss of Employee Morale and Trust

Ethical lapses can erode internal trust, negatively impacting employee morale and increasing turnover rates. Employees may lose confidence in leadership and organizational integrity, resulting in a decline in engagement. This can cause disengagement, decreased productivity, increased cynicism, and reduced motivation (Sims & Brinkmann, 2020).

A male respondent comments, "In today's fast-paced environment, it's hard to keep track of every policy. Unintentional mistakes can happen, but they don't mean I'm not committed to my work or ethics." Figure 2 emphasizes that unintentional ethical violations most frequently result in reputational damage (93%) and loss of employee morale and trust (88%). Other significant consequences include legal and regulatory consequences (84%), operational disruption (81%), and financial impact (78%). These findings emphasize the broad and significant impacts that ethical violations can have on organizations.
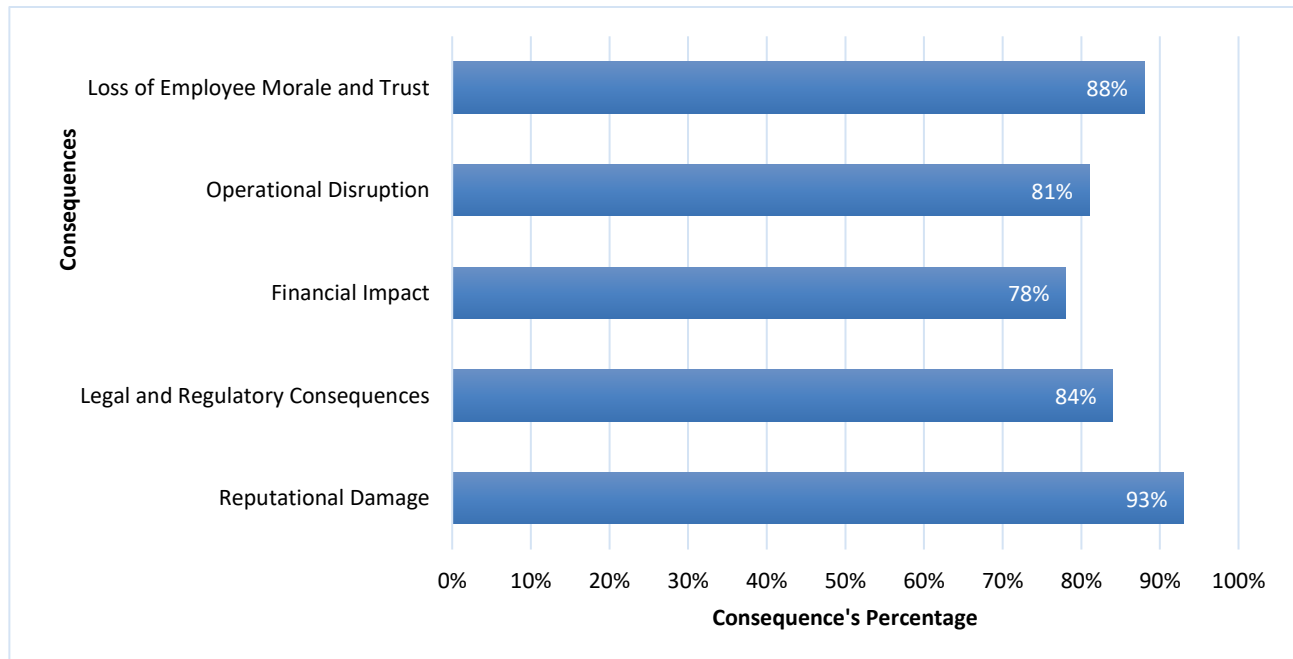

Figure 2   Consequences of Unintentional Ethical Violations

6. Recommendations: Mitigating the Risk of Unintentional Ethical Violations

The study suggests that formal ethical education can be an effective intervention to help employees understand their organization's ethical standards and reduce the risk of unintentional ethical violations. The study identifies factors that can help mitigate the risk of ethical violations caused by a lack of knowledge. The knowledge produced in the study can help organizations assist their employees in maintaining their social competence and responsibility in an ethical manner through ethical education.

6.1 Employee Training and Education

Formal ethics training provides structured guidelines for employees to make ethical decisions. Promoting a stronger ethical culture, these programs help organizations integrate ethical values more effectively into their practices. While specific regulations offer clarity, they can also be rigid. On the other hand, case studies can introduce useful ambiguity, encouraging nuanced ethical reasoning. Overall, firms with robust ethics training tend to perform better, fostering a culture where employees are more aware of ethical principles and their implications, thereby reducing unethical behavior.

6.2 Clear Communication of Ethical Standards

Effective communication of ethical standards is crucial to maintaining a fair and safe working environment. Formal communication is vital in enhancing clarity, consistency, and understanding of these standards. However, studies suggest that employees find it easier to understand informal communication channels than formal ones. To address this, organizations can use seminars, workshops, and meetings to sensitize employees and ensure effective written policy communication. These discussions help employees clearly understand the written policies and adhere to them.

6.3 Encouraging Reporting and Whistleblowing

The implementation of an effective reporting and whistleblowing system is crucial in creating a culture of transparency and accountability within the organization. This system should provide multiple channels for employees to report violations, such as an anonymous hotline, an online reporting platform, or direct communication with a designated ethics officer. Employees should also be educated on the importance of reporting and whistleblowing, as well as the processes involved in making a report.

A female respondent comments, "Clearer guidelines and regular ethical training would help us better understand expectations and avoid mistakes. We want to do the right thing, but sometimes it's hard to navigate ethical challenges on our own."

7. Conclusion

Unintentional ethical violations can arise from various complex and multifaceted causes, including a lack of awareness or understanding, workplace pressures, ambiguous policies, unconscious biases, organizational culture, and rapid technological advancements. The repercussions of such violations can be severe for both individuals and organizations, including reputational damage, legal implications, financial loss, operational disruptions, and decreased employee morale. The effective management of these challenges requires a comprehensive strategy. Key recommendations include enhancing employee training and education to improve ethical decision-making, ensuring precise and consistent communication of ethical standards, and fostering an organizational culture that

encourages ethical behavior through robust reporting and whistleblowing systems. By adopting these measures, organizations can create an environment that prioritizes ethics and empowers employees to understand and adhere to ethical guidelines. Such proactive efforts are critical in mitigating the risk of unintentional ethical violations, safeguarding the organization's reputation, operational efficiency, and overall integrity. Hence, businesses and academic institutions must take the necessary steps to address these challenges.

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Appendix A

Questionnaire

Causes and Consequences of Unintentional Ethical Violation: An Empirical Study

1. Gender: Male, Female

2. Age: ……………………...

3. Working as a (an): …………………………………...

4. Factors Contributing to Unintentional Ethical Violations

Factor	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
Lack of Awareness or Understanding Employees in organization receive adequate training to understand ethical standards.					
Pressure and Stress Workplace stress and tight deadlines do not impact the ethical decisions made in organization.					
Organizational Culture Organization's culture strongly supports ethical behavior.					
Ambiguous Policies Organization's policies on ethical behavior are clear and leave no room for misinterpretation.					
Unconscious Bias Employees in organization are aware of their unconscious biases and actively work to mitigate them in decision-making.					
Technological Advancements Organization ensures that ethical standards keep pace with technological advancements.					

5. Other Factors: ……………………………………………………….

6. Comment: …………………………………………………………...

7. Consequences of Unintentional Ethical Violations

Consequences of Unintentional Ethical Violations	1 (Strongly Disagree)	2 (Disagree)	3 (Neutral)	4 (Agree)	5 (Strongly Agree)
Reputational Damage Ethical violations can cause significant reputational damage to organization.					
Legal and Regulatory Consequences Organization is at risk of legal consequences from ethical violations.					
Financial Impact Ethical breaches have a noticeable financial impact on organization.					
Operational Disruption Addressing ethical violations disrupts business operations.					
Loss of Employee Morale and Trust Ethical violations lead to a loss of employee morale and trust in organization.					

8. Other Consequences: ……………………………………

9. Comment: …………………………………………………...

10. Suggestions to mitigate unintentional ethical violations:

1.

2.

3.