

ORGANIZATIONAL JUSTICE AND ETHICS PROGRAM "FOLLOW-THROUGH" : Influences on Employees' Harmful and Helpful Behavior

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BACKGROUND

Objectives:

- To consider employees' perceptions of general organizational justice
- To consider employees' perceptions of ethics program follow-through, in relation to unethical behavior that harms the organization, and to employees' willingness to help the organization by reporting ethical problems and issues to management.

Survey population:

- One utility company
- One telecommunications company
- Two energy-related companies
- All companies had a formal ethics/compliance program
- Surveys sent to 15,800 employees in total
- Overall response rate 29%

HYPOTHESES

- *The more employees perceive that their organization is just, the less employees will engage in unethical conduct that harms the organization.*
- *The more employees perceive that their organization is just, the more willing they will be to report ethical problems to management.*
- *The more employees perceive that their organization's ethics program follows through on ethical problems and violations, the less employees will engage in unethical conduct that harms the organization.*
- *The more employees perceive that their organization's ethics program follows through on ethical problems and violations, the more willing they will be to report ethical problems to management.*
- *The impact of ethics program follow-through on unethical conduct in the organization will be lower when employees perceive that their organization is just in general.*
- *The more employees perceive that their organization is just, the more willing they will be to report ethical problems to management.*

Dependent Variable Measures

- Observed unethical/illegal behaviors
- Reporting of ethical/legal problems

Independent Variable Measures

- Perceptions of general organizational justice
- Perceptions of ethics program follow-through

DISCUSSION

- There is a strong relationship between perceived general fair treatment and ethics-related outcomes.
- A broad spectrum of unethical actions was significantly lower if employees believed that their organization generally treated people fairly.
- Following through on actual or suspected ethical failures can serve as a deterrent to unethical behavior.
- A company's history of follow-through encourages employees to report ethical problems.
- Consistently following through on espoused policies indicates that an organization values procedural justice.
- The discipline that comes from following up on ethical failures indicates that retributive justice expectations are taken seriously.

IMPLICATIONS FOR MANAGEMENT

- Managers need to pay close attention to employees' fairness perceptions.
- Ethics/compliance management should be more tightly coupled with the management of broader organizational culture to improve employees' perceptions of fairness in the organization in general and in the ethics/compliance program.

CONCLUSION

Organizations that implement ethics programs need to focus on the general fairness with which employees are treated, and on the extent to which the program follows through on the issues employees bring to it.