

Organizational morality and employee commitment

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Abstract

Basic research in my lab has revealed that individuals are highly motivated to do what is moral and wish to belong to moral groups and organizations. We see similar patterns in our world-wide surveys of large numbers of professionals in different types of organizations, revealing the importance of organizational morality. Here correlational evidence elucidates the importance of the integrity and socially responsible behavior of the organization. These organizational behaviors determine perceptions of organizational morality, which in turn predict employee attraction and work motivation, as well as satisfaction, work commitment and rule compliance. This body of evidence would suggest that organizations do well to invest in their moral image, as a way to attract, motivate, and retain employees. However, results from additional studies show that attempts to create a moral image for the organization easily backfire. We see this: a. in our studies on how fundraising organizations recruit and retain their volunteers, b. in our studies on how communications about socially responsible behavior of organizations elicit perceptions of corporate greenwashing, and c. in our laboratory experiments showing that prioritizing moral over performance aspects at work elicits physiological stress. These results clarify that care is needed in communicating how morality and socially responsible behavior contribute to the core mission of the organization.

The impact of organizational morality

In the media, we see daily examples of problems caused by people lying, stealing, or cheating. Not only individuals get caught doing this, it is also true for organizations. Every sector, from banking to pharmaceutical industries, and from sports to science has its own shameful record of immoral behavior. Journalist accounts tend to explain this by pointing to character deficiencies of the individuals involved in these scandals. These must be psychopaths, autists, or downright criminals, so it is thought. However, this does not explain why time and again similar problems come to light, even after removal of these 'rotten apples' (Scholten & Ellemers, 2016).

Indeed, analyses in organizational psychology have started to examine so-called 'moral blind spots' that emerge in situations where only legal or financial implications of business decisions are considered (Bazerman & Tenbrunsel, 2011). Simply neglecting the moral implications of one's actions –instead of consciously deciding to violate the interests of another party– is referred to as 'amoral' behavior. People can show evidence of moral neglect even without endorsing values or priorities that are considered immoral.

Understanding how social contextual factors in the organization –instead of character deficiencies of individuals working there– impact on displays of (im-)moral behavior is not meant to exonerate those who display such behaviors. However, addressing the ways in which organizational practices, incentives, and communications impact the motivations and behaviors of its employees is needed to more effectively manage the moral choices and decisions that are typically made in business contexts.

Research on impression formation in psychology has revealed that we search for and use available information to form an impression of the 'character' of particular organizations - just as we do for specific individuals (Malone & Fiske, 2013). Importantly, the characteristic features inferred in this way not only determine how we perceive the organization, but also predict how we *behave* towards the organization. The two basic issues people try to determine are: (1) whether the *intentions* of the organization are beneficial to us (its morality), and (2) whether it has the *abilities* to follow through on these intentions (its competence).

These general beliefs about the 'character' of the organization are important, because they form the backdrop against which specific experiences or organizational actions are

interpreted. Research on how clients and customers respond to organizational failure clearly illustrates this. Every once in a while, almost every organization encounters a situation where it cannot live up to promises made. This happens, for instance, because product features work less well than advertised, or delivery schedules cannot be realized. But as long as people are convinced these failures are unintended (e.g., they stemmed from unforeseen circumstances or lack of information) they are quite willing to forgive the organization. This is revealed in studies examining customer loyalty following different types of organizational failures (Malone & Fiske, 2013). In fact, customers are willing to show continued loyalty when apologies seem sincere and improvements are made. However, when failures are denied, covered up, or blame is averted, people start doubting the good *intentions* of the organization and prefer to go elsewhere.

This research thus reveals that the primary concern driving customer loyalty relates to the moral intentions of the organization, rather than its ability to be successful. Yet, in the management literature, there is a general tendency to perceive a trade-off between business profitability and organizational morality. Doing the right thing, for instance by investing in Corporate Social Responsibility (CSR) is often seen as a secondary business objective, that is costly, because it takes away time, money, and other resources from the primary goal to make profit. Attempts to convince managers to invest in organizational moral behavior acknowledge this perceived trade-off as they emphasize the business advantages of doing so, instead of rooting for moral behavior as a valuable outcome in its own right (Kiel, 2015).

Nevertheless, the awareness that moral behavior matters for organizations is increasing. This is not only prompted by widely publicized business scandals that recently came to light, but also by more general concerns about the way short term business profitability often outweighs other concerns. For instance, since 2015 the list of ‘best performing CEO’s in the world’ put together by Harvard Business Review not only examines financial performance. It also takes in to account how well the business does on environmental social and governance (ESG) indicators –even if these latter factors only weigh in at 20% of the overall rating (source: <https://hbr.org/2016/11/the-best-performing-ceos-in-the-world>). Indeed, investing in broader societal outcomes and long term benefits for different stakeholders is important. It secures the ‘license to operate’, enhances credibility in the community and can increase attractiveness for a broader range of investors (Butterfield, Treviño, & Weaver, 2000).

However, to date relatively little attention has been paid to the way these organizational issues affect individual employees, how organizational morality impacts their attraction and commitment, or how it enhances their motivation to contribute to the achievement of moral goals. This is the purpose of the present contribution.

The motivation to be moral

During the past ten years, with my research team I have been examining ‘the motivation to be moral’. To establish this we have combined very basic laboratory research, observing task performance while using indicators of brain activity and psycho-physiological arousal with applied research and interviews in organizations. Despite the use of these very different samples, methodologies, and measures, the results are quite consistent (Ellemers, 2017).

When people are prompted to consider their past failures, they are more emotionally affected and find it more difficult to cope with failures in the moral domain than with competence failures (Van der Lee, Ellemers, & Scheepers, 2016). When individuals work on an experimental task that is seen as indicating their morality, they show a better performance, increased attention to task stimuli, and more evidence of engaging cognitive resources than when they think the task assesses their competence (Ståhl & Ellemers, 2016; Van Nunspeet, Ellemers, Derks, & Nieuwenhuis 2014).

The motivation to be moral not only affects individual motivation and task performance, it also affects the way people relate to others they work with. After moral lapses people are more concerned about their image in the eyes of others, and try harder to compensate and restore their social image than after showing competence deficiencies (Pagliaro, Ellemers, Barreto, & Di Cesare, 2016). They are quicker to adapt their choice preferences to accommodate what others in the group consider moral (Ellemers, Pagliaro, Barreto & Leach, 2008), and think this is the best way to earn respect within the group (Pagliaro, Ellemers, & Barreto, 2011).

When others seek to join the same group or work team, people are reluctant to include individuals with deficient morals, while they are more open to receiving those whose competencies are below the group’s standard (Van der Lee, Ellemers, Scheepers, & Rutjens, in press). And when a new colleague at work turns out to be lacking in morals (rather than

competence), people are more reluctant to help this co-worker adjust to the new work environment (Pagliaro, Brambilla, Sacchi, D'Angelo, & Ellemers, 2013).

In sum, the results from various studies show that people try to do what is moral. We see this on psycho-physiological indicators people cannot control. When individuals work on experimental tasks that can reveal their morality (vs. their competence) their brain activity shows increased attention to the task. Their response latencies show more suppression of personal preferences to comply with moral norms, and changes in their heart rate and blood pressure show more task engagement and performance motivation than when working on tasks that reveal their competence. We also see this in how they prioritize different outcomes in decision dilemma's and how they select and evaluate co-workers in their team.

Working in a moral organization

We have also examined how this motivation to do what is moral and be seen by others as a moral person affects the attractiveness of work teams and organizations. Here too, evidence from experimental studies -where causal relations can be inferred unambiguously- suggests that people generally prefer to belong to groups, teams and organizations that are considered moral. In fact they attach more importance to the morality of these entities than to their business success, personal career prospects, or to the quality of interpersonal relations in the team or organization.

This shows up in increased inclination of individuals to identify with social groups that are moral rather than competent or friendly (Leach, Ellemers, & Barreto, 2007). It is also revealed in the fact that people are reluctant to interact with outgroup members who are lacking in morals due to personal safety concerns, while they try to avoid interacting with morally deficient ingroup members because these are seen as a threat to the group's image (Brambilla, Sacchi, Pagliaro, & Ellemers, 2013). Finally, students applying for an internship or seeking a first job after graduation select organizations that are moral above anything else. Even when a trade-off has to be made –as they are forced to choose between different organizations that each have their own deficiencies-, they prefer an organization that is highly moral but not so competent over an organization that his highly competent but not so moral (Van Prooijen & Ellemers, 2015).

Importantly, we observe similar patterns –revealing the importance of organizational morality- in world-wide surveys of large numbers of professionals in different types of organizations, including financial service professionals. Here correlational evidence elucidates the importance of the integrity and socially responsible behavior of the organization. These organizational behaviors determine perceptions of organizational morality, which in turn predict employee attraction and work motivation, as well as satisfaction, rule compliance and work commitment (Ellemers, Boezeman, & Zondervan, in preparation; Ellemers, Kingma, Van de Burgt, & Barreto, 2011). We can document these effects of organizational morality above and beyond the statistical impact of other organizational features and achievements, such as the financial performance and efficiency of the organization.

Building the image of a moral organization

Thus, there seems to be ample evidence that the perceived morality of an organization is an important factor in attracting, motivating, and retaining employees. This would suggest that organizations do well to invest in their moral image, as this should benefit their human resources management and collective performance. However, results from additional studies show that attempts to create a moral image for the organization can easily backfire. We see this in different ways.

Organizational success and need to contribute. First, this shows up in our research on volunteer recruitment in charitable organizations (e.g., to assist in public fund raising), where the mission of the organization is inherently moral. We examined what would attract volunteers to work for such an organization (see also Boezeman, & Ellemers, 2014a). Building on existing insights regarding the attractiveness of organizations, one could argue that the more successful the organization is, the more attractive it should be. Importantly, that did not happen in this case. Research participants indicated that the ability of the volunteer organization in meeting its goals (i.e., by raising money to help the homeless) might benefit its image as a successful organization. However, this did not contribute to their motivation to volunteer for that organization. Instead, prospective volunteers thought the added value of their efforts for achieving the mission of the organization would be limited (Boezeman & Ellemers, 2008). Thus, emphasizing the success of the organization in reaching its moral goals did not help attract new workers, as they felt their contributions were no longer needed.

Their desire to do the right thing caused them to search for another fundraising organization that would be more in need of their services.

Communicating moral motives. Second, simply emphasizing moral goals and socially responsible activities in external communications easily backfires. Thus, caution is in order when using this as a way to build the moral image of the organization, especially when people expect the organization to pursue other goals. We observed this in a series of studies where energy producing companies communicated about their motivation to display socially responsible behavior – in this case expressing care for the environment. Here, the message communicated was interpreted in light of pre-existing knowledge about the mission of the organization: to make profit selling energy. Accordingly, the pledge to invest in environmental concerns did not ring true and was dismissed as an attempt at corporate greenwashing (De Vries, Terwel, Ellemers, & Daamen, 2015). Thus, the perceived ‘true’ intentions of the company (making profit) colored the message that people received (protecting the environment), and caused them to reject what was being said as insincere. In fact, when the organization communicated about their intentions to invest in the same activities for environmental protection out of business motives, this was seen as more sincere and credible.

Prioritizing moral goals. Finally, experimental evidence shows how prioritizing moral goals (over business goals) as a way to motivate individual workers may backfire in an organizational context. Here, we ran a laboratory experiment in which research participants worked together in project teams, and had to make decisions about a variety of business problems. This allowed us to continuously monitor changes in the heart rate and blood pressure of individuals who participated in our study, to assess levels of task engagement and stress. We put together teams of participants, who jointly had to make a number of business decisions, in which there always was a trade-off between the most profitable and the most moral decision. (Van Prooijen, Ellemers, & Scheepers, in press). In line with prior findings, before they started working on the task, research participants indicated being most attracted to a work team in which others attached high importance to moral concerns. In fact, even though participants had also received information about the high vs. low focus of other team members on business success, this did not affect their ratings of team attraction and commitment ahead of time.

However, once they actually started working on the joint decision making task, a different pattern emerged. Here we saw a maladaptive pattern of heart rate and blood pressure increases. When other team members only attached importance to moral concerns and did not consider business success, this raised a cardiovascular pattern that indicates stress, and a perceived inability to cope with the situation. When experienced on a more chronic basis, this type of stress response can lead to cardiovascular diseases over time. In fact, this response pattern was very similar to what we observed when others in the team only considered business success, and neglected the moral domain altogether. Only when moral goals and competence goals were balanced did participants show evidence of positive challenge in task engagement. Thus, prioritizing moral goals alone -in a context where business success also matters- places people in a situation that makes it difficult to thrive, even though they may think this would be attractive ahead of time.

Developing effective communication strategies

The results presented here clearly attest to the high importance people attach to information indicating the moral intentions of individuals and groups they encounter in work contexts. Being part of a moral work team or organization is highly attractive and motivating. However, when organizations explicitly communicate about their moral goals as a way to engage their workers –or to find favor with the general public- this may not always have the desired effects. The research presented here clarifies that care is needed in developing effective strategies to emphasize and communicate about the morality and socially responsible behavior of the organization.

What then are the caveats that emerge from available research? Even though the three cases presented here show different ways in which things can go wrong, there is a single common denominator that they share. Sincerity about the central mission of the organization and clarity on how different parties can contribute to achieving moral goals in this context seems key. In the case of recruiting or motivating individuals to engage their efforts on behalf of key moral goals of the organization, it is important to communicate about the impact and added value of the efforts people make, and to support them in their efforts to contribute to these goals. We documented the beneficial effects of this type of leadership in our research among charitable fundraising organizations. Here we found the leaders who best communicated the added value of the efforts of individual workers, and supported them most

in making their contributions, were best able to motivate and retain their volunteers (Boezeman & Ellemers, 2007; 2014b). Likewise, our research suggests that organizations that wish to invest in socially responsible activities are more effective when they reveal their commercial interests in doing so, instead of neglecting these in their communications. By explicitly acknowledging tensions and potential trade-offs between business goals and moral goals, they can help their workers to consider and cope with conflicting demands and to make balanced decisions. Being explicit about the way moral goals relate to the key mission of the organization, and making visible how the organization invests in achieving these goals, also helps external stakeholders to believe in the sincerity and effectiveness of efforts made by the organization to do what is moral.

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