

How Unethical Decision-Making Causes Stress in Workers

(In Regard to Management and Employees)

Kacey White

Department of Business Management: Whatcom Community College

PHIL&301: Professional Ethics

Professor Jim Drinkwine

June 14, 2022

What is business ethics? What does unethical behavior mean? What does it entail? Can managers be unethical and get away with it? How does it impact employee behavior and stress levels in the workplace? These are just a few of the questions I've had over the years of me being privy to the working world, and even more so now that I'm getting my feet wet in the world of management. I recently got promoted to department manager after 3 years of being the assistant department manager to a manager who struggled with staying ethical and making ethical decisions for her team and for her department. These questions are important for me to answer and understand more than ever now that I have a team to lead and a department to run. Years of being exposed to unethical leadership and behaviors has inflicted unnecessary stress in my life and in my working world and I know that millions and millions of working individuals are experiencing similar stress due to unethical behaviors present in the workplace. I have found myself in the past making unethical decisions due to stress, and now being in a role of leadership I understand that I must rewrite my narrative. Millions of people are faced with making ethical decisions at work every day, and little do we know that stress is one of the leading causes and basically the main factor that is weighing in on the decision we ultimately make.

According to frequently conducted studies by the American Institute of Stress, (or more commonly known as the AIS), 62% of working individuals experience high levels of stress with extreme fatigue including extreme feelings of being out of control and being unable to handle stressful situations. 59% of these individuals prioritize accomplishing basic activities at work over being present in the workplace or improving their personal performance as well as company performance. Even more shockingly, "65% of workers said that workplace stress has caused difficulties and more than 10% described these as having major effects" (The American institute of Stress, 2022). The AIS also states that 41% of these workers are less productive due to stress

75% of employees believe that workers have more on-the-job stress than a generation ago and 80% of workers feel stress on the job. These high numbers are causing workers to make unethical decisions due to the high levels of stress they're experiencing which in turn creates more stress. The cycle continues to repeat itself and will continue to repeat itself until intervention takes place and ethical decision making takes priority in one's working life.

A review of literature was published on stress and health at the workplace back in 2015 by Dr. Mariam Sohail and Professor Chaudhary Rehman of Superior University in Lahore. They set out to understand why mental and physical health was so heavily impacted by stress in the workplace by using old models and studies to approach the issue. "All current definitions of stress state that people experience stress because of the demands or pressure, it is an individual experience and ability of the individual to manage the things is affected by stress. Job stress arises when there is an imbalance between the job demands and the abilities and skills of an employee to deal with these job demands" (Sohail & Rehman, 2015). They go on to state that "stress changes the thinking, behavior and feelings of the individual and brings modification in their psychological functions." These psychological functions are what allows us to make ethical decisions daily, it's what allows us to make the best decisions for ourselves and our company in the best and most ethical way possible. When stress takes over, it modifies our psychological functions and turns our ethical decision making into unethical decision making when the opportunity for relieving a little stress is available.

Let's back it up, what exactly does ethical decision-making entail and how does it differ from unethical decision making? First of all, business ethics can be defined as, "comprising of organizational principles, values and norms that may originate from individuals, organizational statements, or from the legal system that primarily guide individual and group behavior in

business” (Ferrell et al., 2018). Authors O.C. Ferrell, Linda Ferrell and John Fraedrich of the 12th edition of *Business Ethics: Ethical Decision Making and Cases* go on to define morals, principles and values in their textbook and how they relate to ethical decision making. “Morals refer to a person’s philosophies about what is right and wrong” and “values are enduring beliefs and ideals that are socially enforced” (Ferrell et al., 2018). Additionally, “Principles are specific and pervasive boundaries for behavior that should not be violated” (Ferrell et al., 2018). So what happens when these three concepts are faced with stress and outside pressures that challenges your beliefs and standards? That’s when unethical decision-making sets in.

Author Muel Kaptein and professor of business ethics and integrity management at RSM Erasmus University in Amsterdam published a study titled *The Battle for Business Ethics: A Struggle Theory* back in 2015 based on his study and research in the struggle of making ethical decisions in business. He proposes the concept that we all have internal struggles both mentally and psychologically on making ethical decisions when faced with stressful situations. He goes on to propose that the value of stakeholders and shareholders play a big role in the decisions we make whether they’re ethical or unethical. The goal is to keep whoever holds the most importance within a company happy no matter the costs. This way of thinking tappers with our internal morals, values and principles when faced with having to make the unethical decisions to keep so and so happy. “Faced with dilemmas, people in organizations may feel under pressure to meet interests and expectations of stakeholders that cannot be fully met. Furthermore, when stakeholders know that there is a risk that their interests and expectations will not be fully met, they may exert more pressure on the organization to meet their demands” (Kaptein, 2015). So what does that mean for those making the decisions between right and wrong? When managers

and those in higher power begin to exert more pressure on their employees without making ethical decision making and behaviors a priority, more stress beings to set in.

During the three years I worked under the previous department manager, I was faced with many situations where stress took over my typical psychological functions and I began to make unethical decisions that were very uncharacteristic of me to make. The pressures I was receiving from my boss to produce results and high numbers and keep upper management happy overtook my principles, morals and values of working hard, completing every task to the best of my ability and being thorough in everything I did. These newfound behaviors induced unnecessary stress not only on my working life but my home life as I was wondering who I was becoming and why my priorities shifted. Before I knew it, I was taking shortcuts and making unethical decisions to produce those high numbers and results that my boss wanted. This got me thinking, unethical behaviors and decision making within an employee is highly impacted by the unethical behaviors and decision-making present in management or whoever has taken on the role as leader.

An article published by Forbes magazine back in 2016 titled *Four Ways Your Leadership May be Encouraging Unethical Behavior* discussed four ways your style of leadership may be affecting your employees to act unethically. The four ways include (1) You are making it psychologically unsafe to speak up (2) You are applying excessive pressure to reach unrealistic performance targets (3) You are not making ethical behavior and integrity a routine conversation and (4) You are not setting the example. “Most leaders would claim they want the utmost ethical standards upheld by those they lead. But they might be shocked to discover that, even with the best intentions, their own leadership may be corrupting the choices of those they lead” (Forbes, 2016). An attentive leader has the ability to know and understand what types of leadership styles work for certain employees and what doesn’t work for others. Everybody is different and takes in

information in a unique way. Stress is also unique to every individual in terms of what brings it on and what increases the stress levels found in them. “While they cannot control every possible misinterpretation of their words or actions, leaders who know their people well make careful choices in how they react to stressful situations, how they confront poor performance, how polite in the way they are in the face of controversy, and how receptive they are to bad news” (Forbes, 2016).

Taking on the role of manager after my previous manager has really opened my eyes to how difficult balancing taking care of your employees and making ethical decisions from a business standpoint can be. Managers are often viewed to be “too busy” to truly care about individual needs and are instructed to look out for the company as a whole on a performance level, not an employee wellness level. In my experience, focusing on employee needs and learning to be attentive to triggers that cause stress in individual employees is crucial to the overall success of a company. By taking care of your employees and making ethical based decisions and demonstrating ethical behaviors, managers have the ability to reduce stress levels involving the workplace.

By reducing stress levels and improving the moral of the company and the overall well being of the employees, efficiency and performance increases. “More than 50% of workers are not engaged at work as a result of stress, leading to a loss of productivity” and “companies spend around 75% of a worker’s annual salary to cover lost productivity to replace workers” (American Institute of Stress, 2022). Another question that may arise is if a company performance is negatively impacted by employee stress due to a loss in productivity and efficiency, do managers in turn begin to feel stressed out due to low performance? Will they begin to make unethical

decisions based solely on the fact that they're stressed out as well? Does this cycle come full circle?

I think we can all agree on the fact that we expect our managers to set a good example just like Forbes stated in their article that I included a few paragraphs ago. Worker's performance is highly impacted on the performance standards set before them from their managers. When unethical behaviors dictate performance standards and expectations, unethical decisions begin to take place on the managers side that in turn negatively effects the employees who are then faced with making an ethical or an unethical decision themselves. Professors at a variety of different universities came together and published an informative study on unethical behavior as a stressor and how it negatively impacts a circle of individuals, not just the one making the unethical decisions. They claim that "unethical behavior also negatively effects the well-being of third parties such as coworkers and spouses, because the victim becomes a perpetrator of unethical behavior that is displaced to more available targets, both at work and in private life" (Meier et al., 2012). This goes hand in hand with another stat provided by the American Institute of Stress who claim that back in 2018, "76% of US workers said that workplace stress affected their personal relationships" (2019).

We must all understand that managers are people too, that they experience workplace stress as well at their own personal level due to the unethical decisions that have been made as a direct result of that stress. Managers do hold a responsibility to set the example for their team of people, but it is not their job to eliminate all types of stress that a particular employee faces when it has nothing to do with the managers themselves. High levels of stress in the workplace have said to not only be caused by unethical behaviors and decision making, but caused by a work-life imbalance, the amount of work expected from the employee, feelings of being discriminated

against, promotions, pay rate, and the list goes on and on. These are all topics of work-related stress that I believe everybody can attest to and relate to. For the sake of this research paper, my goal was to focus on how workplace stress is directly related to unethical decision making and behaviors present in the workplace. The two main questions that I asked myself and wanted to get answers to at the beginning of this project were (1) Are common stressors in the workplace easy to resolve when ethical and professional standards are present in other people? And (2) Can ethical standards help reduce common stressors in working individuals?

In conclusion, I believe I can honestly say that the answers to these two questions are yes and yes. I have found in my research that when ethical and professional standards found in upper management, colleagues and the worker are met, a tremendous amount of workplace stress and pressure is lifted. This is due to the fact that decisions are not made against the employee's principles, morals and values as we discussed earlier. Decisions are made with the best interest of not only the company's but the employee's interest as well which increases ethical behaviors within the company whether it's dealing with the employees or managers. Secondly, by having ethical standards set in place by managers who prioritize ethical based decision making and promote ethical behavior, employees are encouraged to act accordingly and don't experience the pressures of making unethical decisions. This alone is enough to reduce common stressors found in working individuals in relation to decision making and behaviors.

As a manager, I realize that when my team of people feel safe to promote their ethical agendas and don't feel pressured to perform in any way against what they believe in, it encourages efficiency and productivity within the department. I was once faced with feeling as if I couldn't prioritize what I once prioritized and felt an insane amount of overwhelm due to the

unethical standards and behaviors that were displayed by my previous boss. I can take what I have learned and do my best to learn from it. I understand that ethical decision making goes hand in hand with ethical behavior so when I choose to make ethical decisions, I am displaying ethical behaviors and setting the example for my team. There is no need to cause unnecessary stress when the choice to make the ethical decision is always there.

References:

- 1.) Carucci, R. (2016, June 16). *Four ways your leadership may be encouraging unethical behavior*. Forbes. Retrieved June 14, 2022, from <https://www.forbes.com/sites/roncarucci/2016/06/14/four-ways-your-leadership-may-be-encouraging-unethical-behavior/?sh=2e70c71755c0>
- 2.) Ferrell, O. C., Fraedrich, J., & Ferrell, L. (2018). *Business ethics: Ethical decision making & cases* (12th ed.). South-Western
- 3.) Kaptein, M. (2017). The battle for business ethics: A struggle theory. *Journal of Business Ethics*, 144(2), 343-361.
- 4.) Meier, L. Z. L., Spector, P. E., & Semmer, N. (2012, January). (PDF) *unethical work behavior as a stressor - researchgate*. Retrieved June 14, 2022, from https://www.researchgate.net/publication/239949101_Unethical_work_behavior_as_a_stressor
- 5.) Milenkovic, M. (2022, January 7). *42 worrying Workplace Stress Statistics*. The American Institute of Stress. Retrieved June 14, 2022, from <https://www.stress.org/42-worrying-workplace-stress-statistics#:~:text=Work-related%20stress%20causes%2012%2C000%20deaths%20and%20results%20in,among%20the%20most%20stressed-out%20populations%20in%20the%20world.>
- 6.) Sohail, M., & Rehman, C. A. (2015). Stress and health at the workplace-a review of the literature. *Journal of Business Studies Quarterly*, 6(3), 94.
- 7.) Workplace Stress. (2015, January 13). Retrieved from <http://www.stress.org/workplace-stress/> Xanthopoulou, D., Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2007). The

role of personal resources in the job demands-resources model. *International Journal of Stress Management*, 14(2), 121.