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Expressive effects of ethics codes

We focus on understanding how employees perceive and interpret ethics codes. Research on ethics codes suggests that they may play an important role in the overall attempt to curb unethical behavior. Codes are viewed as an important form of organizational discourse, which is crafted, implemented, and interpreted within particular social and organizational systems. Given the mixed results in the existing business ethics literature on the effectiveness of ethics code, an important question is to examine whether an organizational code of conduct reduces unethical behaviors or not. Thus, the overall objective of this project is to identify and evaluate factors that will increase compliance with codes of conduct. In particular, the studies reported in this paper focus on the relationship between the language used in the codes of conduct and individuals' likelihood of compliance. We examine the differences in employees' compliance with codes of conduct and behaving in the interest of the company when the corporation uses a language that induces strong identification with the company as compared to a more formal language (i.e., refers to its employees as "we" as compared to "employees").

Our coding of the fortune top 50 companies showed that 38% used an informal language while 62% used a formal language. We suggest that when a corporation uses a language that induces strong identification, the emphasis on identification will increase employees' likelihood to engage in unethical self-interested behaviors, because such emphasis suggests high trust in employees and thus a perception of leniency. In contrast, when the corporation refers to its employees as "employees" it signals to them a more formal approach, where the expectations from them to behave ethically are based on notions of rule.

Three studies, a field experiment and two online studies, lend support to our predictions. We found that employees who were hired into an organization with a less formal and more family-like codes of conduct ("we") were more likely to choose their own self-interest over the interest of company and their perception of the group as being more forgiving for the violation of group's code of conduct and more trusting was responsible for this decreases in compliance with the code of conduct.