

Bounded Ethicality:

RECOGNIZING (YOUR) ETHICAL BLINDNESS

What It Is

Bounded ethicality explains how even the most ethical people can behave unethically.

This lack of awareness occurs when the ethics of a situation is “bounded” or isolated from the decision process because of an individual or group’s interest in certain outcomes. If we want something to happen, we are more likely to seek out confirming signals.

Not only do we overestimate the ethicality of our own behavior, but more importantly, we do not recognize underlying, self-serving biases that can make us a risk for ourselves and our organizations.

We think we are rational, ethical, competent and, best/worst of all, capable of objective decisions. Because of this self-perception, we create ethical blind spots large enough to conceal conflicts of interest or unconscious biases when making a decision.

Why It Matters

Research shows that even the most ethical people can make missteps if they don’t recognize the ethical implications of their behavior.

Bounded ethicality inhibits our ability to recognize behavior as unethical, even though hindsight may tell a different story. Consider common circumstances:

- a new employee trying so hard to fit into the team that he fails to recognize an unethical practice;
- managers misreporting numbers or paying bribes under pressure to reach performance-based targets;
- a C-suite executive who fails to see the ethical dimensions of a situation because she is viewing it purely as a “business decision.”

Being fully aware of our flawed self-perception and blind spots—before taking action—facilitates more ethical decisions.

What To Do

BUILD HUMILITY

Avoid vulnerability to bounded ethicality by recognizing the limits of your perception and tendency to become complacent. Unethical behavior is not simply the result of bad apples. Ethical people are capable of doing unethical things without noticing them. Challenge your decisions and actions accordingly. Soliciting outside opinions is a great way to gain perspective and context.

IDENTIFY BIASES

Understand unconscious processes. Pay attention to implicit discrimination to cultural norms and to the framing of decision-making. Ensure each decision holds up to ethical scrutiny, especially when it seems irrelevant.

POP THE BUBBLE

When deciding whether an action is ethical, do not consider it in a bubble. Doing so makes your judgments vulnerable, isolating the factors that play into the decision-making process. Instead, compare the decision to other ethical choices you have made, and evaluate accordingly. Alternatively, look at the decision by putting yourself into the shoes of different stakeholders. How would they perceive the decision?

PAY ATTENTION

Recognize the environmental and social circumstances that could create vulnerability to bounded ethicality. Challenge group norms and the desire to please higher-ups, recognizing how your decisions may affect the long-term success of your organization. Creating checkpoints in your thought process will lessen inadvertent unethical actions.

Where To Go Next



Bazerman, M.H. & Tenbrunsel, A.E.
Blind Spots: Why We Fail to Do What's Right and What to Do about It.
Princeton University Press, 2011.

Websites

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