

# Managing the Immoral Employee (May 14)

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Out of all the management questions we should be asking, this is surely the least asked. How do we handle individuals who are prone to unethical behaviors, especially if they are talented and hard to replace?

There are three reasons why this subject is more or less taboo. First, morality is hard to define, especially without getting too philosophical, and management writers are typically allergic to metaphysics. Second, it is controversial to label people as immoral (although alternative terms – unprincipled, dishonest, corrupt – are hardly euphemisms).

The third problem is that managers struggle to judge moral character, not just in their subordinates but also [in themselves](#). Many managers suffer from a common misconception that honesty and competence are positively correlated, but there are as many honest people who are incompetent as competent people who are dishonest.

Hence much of the management world operates under the illusion that employees are generally ethical, and that bad apples are not only an exception but also easy to detect. Yet dishonest work behaviors, such as staff abuse, rule bending, and theft cost the economy billions. Take the Enron and WorldCom scandals, which cost the U.S. economy around [\\$40 billion](#) during the first year alone – that's as much as the federal government spends on homeland security every year.

It is therefore time to admit that some people are more vulnerable to unethical temptations than others, and managers can play an important role in attenuating (or increasing) the rate of unethical incidents in their teams and organizations. Here are six tips drawn from the academic literature on how to manage morally weak employees:

**Engage them.** [Research](#) shows that job satisfaction accounts for some of the effects of moral personality traits on counterproductive work behavior. Even less ethical individuals will be more likely to act morally if they are engaged at work. By the same token, alienating employees may enhance moral disengagement even in those with higher integrity. Give employees meaningful tasks, make them feel valued, treat them like adults, and they will be more compelled to exercise organizational citizenship, no matter how principled they are.

**Lead by example.** [Research](#) shows that leaders' morality level determines the degree to which employees perceive the organization as ethical or unethical. For managers, the implication is clear: if you want your employees to act morally, start by acting morally yourself. This is particularly important for direct line managers. As [meta-analytics](#) studies show, when subordinates trust their supervisors they are happier and more productive at work, so everyone wins.

**Pair them with ethical peers.** Although we tend to think of peer pressure as a source of antisocial behavior, peers can also inspire ethical conduct. Teaming your less moral employees with colleagues who have strong integrity will motivate them to behave more ethically. Humans learn via observation and imitation, and much of this learning occurs without awareness. Accordingly, recent [research](#) suggests that peers play a critical role in determining the moral compass of our workplace.

**Invest in moral training.** Most people develop their default moral predispositions before they reach adulthood. That said, organizations can influence employees' ethical choices via explicit educational programs. For example, the [Ethics Resource Center](#) reports that businesses that implement formal programs to support ethical choices, such as whistleblowing, decrease counterproductive behaviors and misconduct rates, as well as increasing employee satisfaction.

**Reduce their temptation.** As Oscar Wilde once said, "anybody can be good in the countryside – there are no temptations there." [Ethical behavior](#) is a function of both people's personalities and the situations they are in. Everybody has a dark side, but the antisocial aspects of our personalities are much more likely to surface in toxic environments or situations of weak moral pressure. It is hard to change someone's personality, but managers can do a great deal to affect the environment employees inhabit. Managers can help employees who are less capable of exercising self-control by surveilling and controlling them a bit more.

**Create an altruistic culture.** Although organizational culture cannot be created overnight, [meta-analytic](#) reviews have demonstrated that a caring culture prevents unethical work behaviors, whereas a culture of self-interest promotes them. Clearly, it is not sufficient to include "integrity" as a core organizational value – most companies [do](#) that already, alongside "creativity", "diversity", and "corporate social responsibility", but that's just the stuff they write on their websites. What matters is persuading employees that the organization truly values generous, selfless behaviors.

Of course, at this point you may be wondering: can't you just avoid hiring dishonest people in the first place? That's easier said than done. A manager might attempt to suss out an applicant's morality through careful interview questions or self-report questionnaires. But as a recent review [noted](#), there is "a logical problem with self-assessments of integrity. People who lack integrity specialize in manipulation and deceit, which makes their self-assessment a dubious source of information." And yet since prevention is clearly the best solution, hiring managers will have to rely on other means: peer evaluations, 360-degree feedbacks, and careful reference checks. Past behavior is the best predictor of future behavior, so capturing reliable data on candidates' reputation is *the* best way of evaluating their integrity. Unless we do so, immoral behaviors will remain the "silent killer" of individual careers and organizational effectiveness.

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