

WHEN EMPLOYERS FAIL TO SEE WHAT'S NEEDED



Boeing. Wells Fargo. Equifax. Pennsylvania State University. The Ohio State University. Turning a blind eye is rampant in US workplaces. It creates misery in its wake. So why is it so prevalent?

There are many causes, but three big ones are convenience, costs, and rewards. It is easier to turn a blind eye – and there can be significant perils to one's career with no upsides to making a fuss.

Looking in the mirror isn't easy. We are all fallible. Part of our willingness to turn a blind eye can even come from a good place, a recognition that we too have not always measured up.

But when do we allow the selfish, unethical, or incompetent actions of others to go unchecked, and when do we speak up and pull back the reins? I think the answer is to ask simple but powerful questions: Does this break a rule (a line we've agreed must not be crossed) – and who beyond the main actors might be harmed (do we need to agree on a new, tougher line in the sand)?

But if your ethical compass depends on what others think, you may need to seek ethical workplaces that can reinforce the best in you.

Apparently, peers can have a big influence. In 2013, *Science Daily* reported on research by professors at University of Southern California's Marshall School of Business and Washington University that explored ways to reduce unethical behavior. The study found that "people were more likely to cheat when benefits accrued to others as well as themselves because it better allowed them to justify their own behavior and thus reduce both their own feelings of guilt and others' blame." But if others who might gain by the misconduct made clear they were against breaking the rules, the research found individuals cheated less often. "It may be a shortcut to curbing unethical behavior and an easier route than to change [the individual's] ethical framework," one study author wrote.

Clearly weighing in and speaking up can make a difference.

In the financial services arena, it is simple to create scorecard wins (i.e., increase earnings) without changing anything other than a few accounting numbers. Some CFOs' *raison d'être* is creating the right number, defined as the one that maximizes the boss's returns, while minimizing the chance of getting caught. Deception becomes routine, and voilà, a financial crisis is born. If those in charge made clear they didn't want unethical assistance, it might go a long way to creating accountable workplaces.

Many workplace cultures are broken. They may not erupt like the aforementioned examples (Boeing, etc.), their details spilling across the headlines. But they are systemically flawed because they regularly reward the wrong behaviors.

Those in power can provide the fix: "How you play the game" must be valued more than – or better yet, redefined as – "winning." And if those in charge were truly held accountable for workplace culture, turning a blind eye might become a much less popular sport.

ELEANOR BLOXHAM (Louisiana State University) is the founder and CEO of The Value Alliance and Corporate Governance Alliance, a board and senior executive education, information, and advisory firm. Bloxham has a bachelor's in English from LSU and an MBA from New York's Stern School of Business. She is a regular contributor to *Fortune* and the author of two books. She may be reached at ebloxham@thevaluealliance.com.