

December 2023

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Recommended Citation

Aleksić, D., & Palazzo, G. (2023). Development and Validation of Ethical Blindness Scale. *Economic and Business Review*, 25(4), 233-243. <https://doi.org/10.15458/2335-4216.1329>

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ORIGINAL ARTICLE

Development and Validation of Ethical Blindness Scale

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Abstract

Recent models of ethical decision making have underlined the influence of unconscious processes of unethical behavior, and ethical blindness has been identified as a construct that deepens the understanding of unintentional unethical behavior. However, to date, no empirically tested measure of ethical blindness exists. Consequently, we have explored and developed a tool for measuring ethical blindness, which is presented in this paper. Based on qualitative data from interviews with individuals employed in different industries and a literature review, we developed a multidimensional measure of ethical blindness. The measure was tested and validated in several consecutive steps on three quantitative data sets. Exploratory factor analysis generated three factors (rationalization, routine, and ambiguity) comprising 12 items of ethical blindness. Confirmatory factor analysis verified that the three-factor structure had an acceptable fit. The dimensions displayed good internal reliability. Preliminary evidence of construct and discriminant validity was also provided. The paper discusses the practical implications and future research.

Keywords: Ethical blindness, Scale development, Unintentional unethical behavior, Work environment

JEL classification: D83, D91

Introduction

Recent years have seen a large wave of organizational scandals, from Volkswagen's manipulation of diesel emissions to Wells Fargo's systematic customer fraud and the most recent scandal of sexual abuse by Oxfam managers. All such scandals of unethical and illegal practices come with enormous financial and reputational costs, in particular in cases where overall organizational cultures have been moving towards the dark side. These costs of unethical behavior in organizations have highlighted the importance of understanding why, how, and under what circumstances employees behave unethically (Chen et al., 2013; Kish-Gephart et al., 2010; Moore et al., 2012). Most attention to this topic has relied upon a rationalist approach and thus conceptualizes unethical behavior as the result of a conscious, rational, and deliberate decision-making process of individual actors

(Rest, 1986), thereby focusing on intentional immoral or even illegal behavior, driven by self-interested motives. According to the rationalist approach, employees are aware of the difference between right and wrong in a given situation, but they choose to behave unethically because they expect to be rewarded for doing so (Ashkanasy et al., 2006). In the light of this theory, the more than 5000 salespeople Wells Fargo had to fire for fraudulent behavior were nothing but "bad apples" who had sold bank accounts and credit card accounts to people, especially the elderly, without informing them. With this strategy, they could achieve their sales targets and get their bonuses (Hightower, 2016).

However, some have argued that the bad-apple approach is too simplistic and overstates the role of conscious decision making when it comes to ethical and unethical behavior. Recent models of (un)ethical decision making have explored how intuitive,

Received 2 November 2022; accepted 17 October 2023.
Available online 5 December 2023

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<https://doi.org/10.15458/2335-4216.1329>

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unconscious, and automatic processes influence unethical behavior (Palazzo et al., 2012; Sonenshein, 2007; Welsh & Ordonez, 2013). As it has been pointed out, there is growing acknowledgement that employees sometimes fail to perceive the unethical aspect of their decisions and may behave unethically without being aware of it (Bazerman & Sezer, 2016; Palazzo et al., 2012). While initially, an actor might understand the ethical problems of a decision, they might rationalize the unethical decision (Bandura, 1999) and over time, the awareness of the ethical issue at stake might fade away (Bazerman & Sezer, 2016). The unethical or even illegal practice becomes normalized and transforms into an unconscious habit (Palazzo et al., 2012).

Palazzo et al. (2012) use the term ethical blindness to describe this phenomenon and define it as “the decision maker’s temporary inability to see the ethical dimension of a decision at stake” (p. 324). Ethical blindness is an unconscious, context-bound, and, thus, temporary state in which individuals are “not aware of the fact that they deviate from their own values and principles and/or that they cannot and do not access those values when making a decision” (Palazzo et al., 2012, p. 325). Individuals who fail to perceive that they behave unethically may even be convinced that they are doing the right thing and are thus unlikely to seek ways to improve their behavior (Eldred, 2012). Therefore, ethical blindness increases the risk of unethical behavior (Palazzo et al., 2012).

Even though ethical blindness has been identified as a construct that can help better understand unethical behavior (Kump & Scholz, 2022; Palazzo et al., 2012), the current understanding of this phenomenon remains limited, and much empirical research has yet to be done. In fact, there is little empirical research examining ethical blindness in organizations, and consequently, academics and practitioners are still uncertain when it comes to examining the presence of ethical blindness at work and its effect on employees’ (un)ethical behavior. One reason for this might be the fact that ethical blindness occurs below the level of consciousness; thus, it is hard to find direct and observable evidence of ethical blindness, and as a result, evidence must be inferred (Eldred, 2012). Furthermore, related to the first reason, to the best of our knowledge, there is no instrument to evaluate the existence of ethical blindness in organizations. The overall debate on how contextual pressures distort the perception of managers and thus push them towards moral behavior independent from who they are and what motivations they hold is a rather recent one. This important debate, which helps to understand and potentially prevent scandals in organizations, would benefit from a validated measure of ethical blindness.

The aim of this paper is to develop and propose a comprehensive scale that measures ethical blindness at work. The goal is to deepen the understanding of ethical blindness at work and to provide a basis for future (quantitative) research. Specifically, we: (i) outline the conceptualization of ethical blindness at work; (ii) develop a multidimensional measure to assess ethical blindness in organizations, estimate its psychometric properties, provide evidence of its constructs’ validity, and distinguish this behavior from related constructs; and (iii) discuss key results of the study and draw implications for research and managers. The study thereby contributes to the understanding of ethical blindness within organizations by conceptualizing, developing, and testing a comprehensive scale to measure ethical blindness.

1 Understanding ethical blindness in the workplace

1.1 Ethical blindness in the workplace

Research in behavioral ethics has documented that even good people may engage in ethically questionable behavior without intending to do anything wrong (Bazerman & Sezer, 2016; Chugh et al., 2005). Palazzo et al. (2012) described this phenomenon as ethical blindness, defined as “the decision maker’s temporary inability to see the ethical dimension of a decision at stake” (p. 324). Since unconscious aspects of decision making play a substantial role in ethical judgment (Bazerman & Gino, 2012), individuals may behave unethically without being aware of it and may even be convinced that they are doing the right thing (Palazzo et al., 2012). Ethical blindness is the inability to recognize the ethical issue in a certain situation, though ethically blind individuals may recognize the unethical dimension of their decision later, after some time (Palazzo et al., 2012).

Ethical blindness can be understood along three aspects: (i) Even though certain values and principles are part of their identities, when making decisions, individuals may sometimes deviate from their own values and principles; (ii) ethical blindness is context-bound and, thus, a temporary state during which individuals with normal (or even high) levels of integrity and the ability for moral reasoning are, for some reason, not able to use these capacities in certain situations when making a decision; (iii) ethical blindness is an unconscious phenomenon since ethically blind individuals are not aware of the fact that they deviate from their values and/or they cannot and do not access those values when making a decision (Palazzo et al., 2012). It is important to highlight that

such an understanding of unconscious dynamics that might increase the probability of deviant behavior avoids a particular normative position on right and wrong and just argues that individuals have values; those values are socially constructed and resonate with the context in which those individuals make decisions (Vaccaro & Palazzo, 2015). Unethical behavior occurs when the individuals deviate from what they themselves are used to perceiving as ethically appropriate decisions. The yardstick for ethical blindness is the decision maker's own ethical compass (Palazzo et al., 2012).

In discussions on ethical decision making, the awareness of ethical issues when making decisions is the starting point for the understanding of how good ethical decisions are made. According to Rest (1986), recognizing that an ethical problem exists or that an ethical principle is relevant to a certain situation (and might be violated) is the first step leading to good ethical decisions and behavior. When individuals fail to perceive the ethical dimension of a decision, ethical blindness may occur. Thus, ethical blindness is likely driven by a lack of awareness of ethical issues. This lack of awareness, as we have highlighted, has to be transient in order to count as ethical blindness.

In order to define ethical blindness in the workplace, we focus on situations at work in which individuals unintentionally deviate from their values and behave unethically without being aware of it (i.e., become ethically blind).

Ethical blindness at work can be amplified by organizational routines (Brief et al., 2001; Palazzo et al., 2012). Individuals do not seek out information in a neutral way; rather, they tend to seek out information that confirms their preexisting beliefs and also selectively recall from memory information that is consistent with those beliefs (Eldred, 2012; Gilovich, 2008). When individuals carry out a routine task, they build upon previous experiences that have shaped their way of perceiving the task. They recall past experiences, knowledge, information, and beliefs from memory and use them to carry out routine tasks in the same way as in the past. Decisions for such tasks become routinized, and individuals do not question whether these decisions are still appropriate or not (Palazzo et al., 2012). When environmental conditions change significantly, routines amplify ethical blindness at work, as individuals may not question their routinized decisions despite changes in the environment. Consequently, decision makers are unable to identify the new ethical dimension arising from changes in the environment; thus, they become ethically blind.

Ethically blind individuals may eventually start to believe in their own rationalizations and, thus, may be

convinced that they are doing the right thing (Palazzo et al., 2012). Common rationalizations for unethical behavior include "Everyone else is doing it," "I didn't know that what I was doing was wrong," "No one got hurt," and many others (Hall, 2010). Thus, individuals tend to automatically shift blame away from their own negative behavior toward an external source, such as another person, institution, or external pressure (Hall, 2010), without being aware of it and thereby become ethically blind. For example, individuals who are constantly exposed to the unethical behavior of their colleagues may, as time goes by, start to behave in the same manner and develop a justification for their unethical behavior (i.e., "Everyone else is doing it"), thus normalizing it. Another example of ethical blindness due to rationalization would be a situation under time pressure, when individuals usually use simpler decision strategies (Rieskamp & Hoffrage, 2008) and may fail to perceive the ethical component of their decision; however, they may justify their potential unethical behavior by using the lack of time as an excuse. It is important to note that, in the above cases, the more individuals develop and use particular rationalizations, the more these can become habitual and seemingly valid parts of their thinking processes; this can result in individuals not being aware of the effect of rationalization, and they may thereby become ethically blind (Hall, 2010).

Existing research also suggests that a lack of information, knowledge, and experience can amplify ethical blindness in the workplace. Specifically, Choe et al. (2012) found that when new nurses do not know that patients have legal rights, they often neglect to respect these rights and, consequently, behave unethically without being aware of it. Thus, individuals can be ethically blind because they simply do not have the necessary knowledge, information, or experience to recognize the ethical problems in certain situations.

1.2 Ethical blindness and related constructs

There is a growing interest in understanding unethical behavior, and researchers have examined different forms of unethical behavior at work (e.g., Gino & Galinsky, 2012; Near & Miceli, 1985). We have identified two constructs in the literature on ethics at work that have the potential to overlap with ethical blindness at work. This section discusses the distinction between ethical blindness at work and the two identified constructs: workplace deviance and counterproductive work behavior.

According to Robinson and Bennett (1995), deviant workplace behavior is defined as "voluntary behavior that violates significant organizational norms and

Table 1. Summary of scale development steps.

Step	Sample	Method(s)
Step 1: Item generation	17 employees	Content analysis of the interview data
Step 2: Content validity evaluation	6 expert judges	Content and construct validity of the items; evaluation of the clarity and conciseness of the formulations of the individual items
Step 3: Pilot study	27 employees	Item analyses
Step 4: Field Study 1	183 employees	Exploratory factor analysis; discriminant validity
Step 5: Field Study 2	109 employees	Exploratory factor analysis; confirmatory factor analysis
Step 6: Field Study 3	178 employees	Exploratory factor analysis; confirmatory factor analysis

in doing so threatens the well-being of an organization, its members, or both” (p. 556). Both workplace deviance behavior and ethical blindness can be characterized as deviation from values (organizational or personal). However, in contrast to ethical blindness, which represents an unintentional deviation from personal values and behaving unethically without being aware of it, deviant workplace behavior represents voluntary behavior, chosen by the individual (Robinson & Bennett, 1997). Individuals may choose among different deviant behaviors, usually selecting the one that is the least constrained, most feasible, or least costly, given the context (Robinson & Bennett, 1997). Since individuals choose such behavior, we can assume that deviant workplace behavior is rational and intentional behavior. Although both deviant workplace behavior and ethical blindness are context-dependent (Bennett & Robinson, 2000; Palazzo et al., 2012) and may be manifested in the same unethical behavior (e.g., discussing confidential company information with an unauthorized person), they differ in the level of awareness when engaging in the unethical behavior. Thus, the intentional nature represents the fundamental difference between deviant workplace behavior (chosen and thus intentional; higher level of awareness) and ethical blindness (unintentional behavior; lower level of awareness).

Further, it is also important to distinguish between counterproductive work behavior and ethical blindness. Counterproductive work behavior is any intentional employee act that harms or intends to harm an organization and/or the organization’s stakeholders, such as clients, coworkers, customers, or supervisors (Spector et al., 2006). Counterproductive work behavior includes the following: abusing others, doing work incorrectly, failing to notify superiors about work problems, destroying or misusing organizational property, and withdrawal (working less than is required by an organization) (Spector et al., 2006). Some of the mentioned behaviors can also be the outcomes of ethical blindness. For example, employees can also do their work incorrectly due to ethical blindness. However, as is the case with deviant workplace behavior, counterproductive behavior is intentional, whereas ethical blindness is unintentional. Ethically

blind employees do not intend to harm an organization or an individual, although they may do so due to their blindness, while the main aim of counterproductive work behavior is to harm the organization or its stakeholders. Thus, counterproductive work behavior and ethical blindness are separate constructs that may or may not have the same outcomes.

2 Measure development

In developing the measure, we followed scale-development procedure guides (DeVellis, 2003; Hinkin, 1998; Netemeyer et al., 2003) for the development of a scale in accordance with the established psychometric principles for use in field studies. As discussed below, by using multiple methods and samples (Hinkin, 1998), a new measure of observed ethical blindness was developed and tested in interconnected steps. Table 1 summarizes all the steps.

2.1 Item generation

Following well-established scale development procedures (Hinkin, 1998; Netemeyer et al., 2003), an initial pool of items was generated. Initially, we conducted semistructured interviews with relevant informants in order to generate items with high levels of content validity that could then be further verified with surveys (Connelly et al., 2012). Interviews took place either face-to-face or on Skype, and all interviewees permitted the interviews to be recorded and transcribed. We interviewed 17 employees in a variety of jobs (i.e., doctors, lawyers, managers, professors, teachers, engineers, project managers, financial consultants, and CEOs) who worked in different sectors (e.g., banking, education, health care, transport and logistics, law, and information technology). Two interviewees were located in Germany, three were located in Croatia, and all others were located in Slovenia. Nine interviewees were female, and eight were male; interviewees’ organizational tenures ranged from two months to 12 years. We stopped recruiting additional participants once the new interviewees did not yield

new or different information or experiences (Connelly et al., 2012).

We content-analyzed the interview data. The results suggest that individuals engaged in a variety of aspects of ethical blindness. For example, some informants provided examples of when they had behaved unethically without being aware of it due to a lack of experience (illustrative response: “at the beginning, when I was unexperienced, I made a mistake that almost cost me my license”). Further, informants reported that they did not pay attention to ethical issues when performing routine tasks (“once I decide that it is morally okay to perform a certain action, I will always perform this activity without rethinking the moral issue”). Interestingly, most of the informants provided examples in which they justified and normalized their unethical behavior (“I can be very rude to my clients without any special reason . . . that happens to all of us . . . we are also only human, so this is a normal thing” or “I am not in a position to say no to my boss . . . I have kids, so I cannot afford to lose my job, and thus, I do what is required of me”). Based on the interview data, a list of statements comprised the initial item pool. Next, the ethical blindness theory was consulted to supplement the item pool. Based on these inputs, a pool of 94 items was created.

2.2 Content validity evaluation

In order to evaluate the content validity, all items were reviewed by several judges (Hardesty & Bear-den, 2004). First, six expert judges assessed the content and construct validity of the items (management professors and PhD students not familiar with the research) and evaluated the clarity and conciseness of each item’s wording. Out of the 96 items that entered the first round of content validity evaluation, 43 items were deleted because judges argued that they were ambiguous, repetitive, or not directly related to ethical blindness; 18 items were slightly modified; and 35 items remained unchanged. Further, five items were added. The first round of content validity evaluation resulted in the retention of 58 items. In the second round of content validity evaluation, nine employees were given the definition of ethical blindness and asked to assess content validity as well as to judge the items as “clearly representative,” “somewhat representative,” or “not representative” of ethical blindness. Items were retained when they were evaluated as at least “somewhat representative.” In the second round, 21 items were deleted, 16 were slightly modified, three were added, and 21 remained unchanged. Item purification yielded 40 items for the pilot study.

2.3 Pilot study

As recommended by Netemeyer et al. (2003), a pilot study with a sample of 27 employees was conducted to reduce the item pool to a more reasonable number. The responses were analyzed via item analyses. Items that had low or high item-to-total correlations were candidates for elimination (Netemeyer et al., 2004). Eleven items had low item-to-total correlations and were thus candidates for elimination. However, we used statistical heuristics and content validity judgments to retain or delete items (Haynes et al., 1999). Based on item-to-total correlations and judgment procedures, we eliminated five items with low item-to-total correlation. As a result of this process, 35 items were retained.

3 Study 1

We conducted Study 1 to reduce the number of items by deleting those that did not meet psychometric criteria (Netemeyer et al., 2003). The online survey was composed of a list of the 35 items. Respondents were asked to indicate the extent to which they agreed/disagreed with each statement on a seven-point Likert scale. The scale opened with the following statement: “Sometimes at work . . .”

Altogether, 185 employees from Europe completed the online questionnaire. Based on missing-data analysis, two questionnaires were excluded from further analysis due to missing values in more than 20% of the variables. The final sample consisted of 183 responses. Further, we used Little’s (MCAR) test (Little, 1988) to assess whether the data were missing completely at random (Hair et al., 2010). We obtained statistically nonsignificant results (Chi-square [3938] = 4055.760, $p = .093$), confirming that there was no systematic pattern of missing values. Thus, we proceeded with the imputation of missing data.

Of the 183 respondents, 147 were full-time employees, 21 were part-time employees, 11 were students with work experience, and four were retired. The average age was 33.3 years ($SD = 7.14$); the average duration of work experience was 8.6 years ($SD = 7.36$); and 29.5% had a bachelor’s degree, 43.7% had a master’s degree, and 16.9% had a doctorate degree. Of the respondents, 29.5% were men. The respondents worked in the following countries: Slovenia (40.4%), Croatia (25.7%), the United Kingdom (10.9%), Bosnia and Herzegovina (3.8%), Germany (6.6%), Italy (5.5%), and the United States (7.1%). Although respondents came from seven different countries, they all spoke English. Further, respondents worked in the following industries: accounting (1.6%), advertising (2.7%), banking (13.7%),

chemical (0.5%), computers (1.1%), consulting (5.5%), cosmetics (0.5%), education (32.8%), energy (0.5%), entertainment and leisure (4.9%), financial services (2.7%), food, beverage, and tobacco (2.7%), health care (1.1%), legal (2.7%), manufacturing (2.2%), publishing (2.1%), real estate (2.7%), service (10.9%), sports (1.1%), technology (2.7%), telecommunications (1.1%), and transportation (1.6%).

3.1 Exploratory factor analysis

Prior to conducting the factor analysis, we performed an internal consistency analysis. All items had high interitem correlations ($> .4$), suggesting that all items belonged to a common domain (Hinkin, 1998). In determining which items to select for the scale, we further considered the variance of the items. We eliminated two items with a variance below 1.5, as items with extremely low variances do not allow discrimination between individuals on the construct of interest (DeVellis, 2003); this left us with 33 items.

We then conducted an exploratory factor analysis to analyze the interrelationships of the items and to suggest additional items for deletion (Hinkin, 1998). We used a principal-axis factoring procedure that extracted the least number of factors that accounted for the common variance and an oblique rotation that allowed factors to correlate (Fabrigar et al., 1999; Hair et al., 2010). The Kaiser-Meyer-Olkin measure of sampling adequacy was .949, which showed that the correlation matrix was appropriate for principal-axis factoring (Hair et al., 2010). We expected ethical blindness to be multidimensional given the theory and the results of the interview study, which revealed a different situation in which employees became ethically blind. However, we did not know which solution would best represent ethical blindness in terms of how many factors exist or what they consist of.

In the analysis, we rejected all items that did not load strongly on the primary factor ($< .40$) and items that cross-loaded on multiple factors. The remaining items were those that demonstrated the highest factor loadings. Out of the 33 items, 12 items loaded correctly and significantly on three factors. We reran an exploratory factor analysis. This analysis resulted in a three-factor solution, explaining 60.588% of the variance, which was an acceptable target (Hinkin, 1998). The Kaiser-Meyer-Olkin measure of sampling adequacy was .892, which showed that the correlation matrix was appropriate for principal-axis factoring (Hair et al., 2010). Bartlett's test of sphericity was significant (Chi-square [66] = 1146.998, $p = .000$), indicating an overall significance of correlations within the correlation matrix (Hair et al., 2010). The 12 items exhibited factor loadings greater than .40.

We further examined the communality statistics to determine the proportion of variance in the variable explained by each of the items (Hinkin, 1998). Items' communalities did not approach or exceed 1, though none were lower than .49, indicating no issues with the solution. Cronbach's alpha coefficients were above the .700 threshold (Hair et al., 2010) for all three factors and were as follows: .851, .823, and .811. The first ethical blindness factor describes behavior whereby employees are convinced that they have good justification for their unethical behavior and shift blame away from their own unethical behavior toward an external source. We labeled this dimension rationalization (four items). The second factor of ethical blindness involves instances wherein employees become ethically blind due to the fact that they forget to think about the ethics when they perform routine tasks. Thus, we labeled this dimension routine (four items). The third factor of ethical blindness describes behavior whereby employees unintentionally do something unethically due to lack of experience or because the situation is perceived as unclear. This dimension was labeled ambiguity (four items). A summary of the loadings is provided in Table 2.

To further assess the discriminant and nomological validity of the ethical blindness construct, the new measure was compared to other theoretically relevant constructs. The scores obtained by means of the new measure of ethical blindness were compared with scores obtained by means of scales of organizational and interpersonal deviance as developed by Bennett and Robinson (2000) as well as with the scale of counterproductive work behavior developed by Spector et al. (2006). We also measured one unrelated construct, the Grant and Sumanth (2009) scale of prosocial motivation behavior. We expected the new scale to have a moderately positive relationship with scores on organizational deviant behavior in the workplace and to be uncorrelated with prosocial behavior. Table 3 depicts the means, standard deviations, and correlations for the measures.

As expected, the three dimensions of ethical blindness correlated mostly positively with Bennett and Robinson's (2000) organizational deviance scale with the following correlations: rationalization ($r = .575$, $p = .000$), routine ($r = .370$, $p = .000$), ambiguity ($r = .421$, $p = .000$). Further, the three dimensions of ethical blindness were moderately correlated with Bennett and Robinson's (2000) interpersonal deviance scale for rationalization ($r = .380$, $p = .000$), routine ($r = .249$, $p = .000$), and ambiguity ($r = .328$, $p = .000$), and with Spector et al.'s (2006) scale of counterproductive work behavior for rationalization ($r = .455$, $p = .000$), routine ($r = .244$, $p = .001$), and ambiguity

Table 2. Scale summary—factor loadings across studies.

	EFA Study 1	CFA Study 2	CFA Study 3
Factor 1: Rationalization			
1. I have to perform tasks that are against my personal values to keep my job.	.518	.793	.744
2. I have to behave unethically to protect my coworkers.	.846	.812	.715
3. I do unethical things to keep my job and justify this by saying, “If I will not do it, someone else will.”	.819	.896	.847
4. I do something against my values because I am under pressure to do so.	.671	.835	.815
Factor 2: Routine			
5. I do not think much about ethics when performing tasks that I have a lot of experience in.	.699	.676	.509
6. I do not think about the ethical component when using the standardized procedures in my organization.	.784	.578	.715
7. When making routine decisions I forget to think about ethics.	.654	.723	.849
8. I forget to pay attention to the ethical component of the activity I perform.	.480	.676	.824
Factor 3: Ambiguity			
9. I do something unethical without even knowing it. I realize the wrongdoing after some time.	.612	.747	.581
10. I unintentionally do something unethical due to lack of experience.	.732	.694	.635
11. I do something unethical because I do not know what counts as right.	.570	.616	.639
12. I unintentionally do something unethical.	.762	.754	.752
Ethical blindness			
Rationalization	–	.613	.810
Routine	–	.938	.879
Ambiguity	–	.634	.712

($r = .297, p = .000$). In terms of discriminant validity, no correlations with prosocial motivation were shown for two dimensions of ethical blindness, namely rationalization ($r = -.034, ns$) and ambiguity ($r = -.035, ns$), but there was slight correlation with the routine dimension of ethical blindness ($r = -.153, p < .05$). These findings suggest that the new measure for the ethical blindness scale is robust and specific enough to focus respondents’ attention on patterns of ethical blindness at work.

4 Study 2

We then included the proposed 12-item measure in a survey administered to a sample of 109 employees from Europe. 65.1% of the respondents were female. Respondents ranged in age from 24 to 58 years, with a mean age of 33.9 years. The majority had graduated from some college (31.2%) or had a bachelor’s degree (32.1%), while 18.3% of them had a master’s degree, 4.6% had finished a PhD, and 13.8% had graduated from high school. The average duration of work experience was 9.5 years ($SD = 7.83$).

4.1 Confirmatory factor analysis

The appropriateness of the 12 items for capturing the three dimensions of ethical blindness was again tested with an exploratory factor analysis (principal-axis factoring and oblique rotation). The Kaiser-Meyer-Olkin measure of sampling adequacy was .840, which shows that the correlation matrix is appropriate for principal-axis factoring (Hair et al., 2010). The items loaded on three factors, as expected, accounted for 69.25% of the variance and had loadings of above .40. All three factors again demonstrated high internal consistency, with Cronbach’s alpha coefficients of .901, .756, and .717.

We then conducted a confirmatory factor analysis using Mplus version 7.3. We wanted to assess the goodness of fit of the measurement model comparing two alternative measurement models (Jöreskog & Sörbom, 1989): a first-order one-factor structure and a first-order three-factor structure. As expected, the first-order one-factor structure displayed poor fit (Chi-square [54] = 232.507; $p = .000$; CFI = .716; TLI = .653; RMSEA = .174). The first-order

Table 3. Means, standard deviations, correlations, and reliabilities^{a,b} (Study 1).

Variables	Mean	SD	1a	1b	1c	2	3	4	5
1a. Rationalization	2.55	1.336	(.851)						
1b. Routine	3.151	1.289	.541***	(.823)					
1c. Ambiguity	3.121	1.246	.612***	.534***	(.811)				
2. Interpersonal deviance	2.367	1.282	.380***	.249***	.328***	(.822)			
3. Organizational deviance	2.075	0.809	.575***	.370***	.421***	.566***	(.827)		
4. Counterproductive work behavior	1.589	0.482	.455***	.244**	.297***	.672***	.614***	(.780)	
5. Prosocial motivation	5.731	1.021	-.034	-.153*	-.035	-.096	-.086	.013	(.921)

Notes: ^a Coefficient alpha reliability estimates in parentheses on the diagonal. ^b *** $p = .000$, ** $p = .001$, * $p < .05$.

three-factor structure exhibited significant improvements in model-fit statistics compared to the first model and showed that a three-dimensional model fit the data well (Chi-square [51] = 161.123; $p = .0000$; CFI = .925; TLI = .903; RMSEA = .056) since all indicators were at or above the recommended standards (Bagozzi & Yi, 2012; Hinkin, 1998). Table 2 shows a summary of the loadings.

Further, we wanted to test whether the first-order constructs (dimensions of ethical blindness) were reflections of the higher-order construct, ethical blindness. The second-order three-factor model demonstrated the same model fit indices as the first-order three-factor model (Chi-square [51] = 161.123; $p = .0000$; CFI = .925; TLI = .903; RMSEA = .056).

5 Study 3

To further examine the construct validity of the scale, we conducted a confirmatory analysis on a larger sample. We included the proposed 12-item measure in a survey administered to a sample of 178 employees from Europe, 61.8% of whom were female. Respondents ranged in age from 19 to 57 years, with a mean age of 35.04 years. The majority had a bachelor's degree (42.71%) or master's degree (33.1%), while 7.3% of them had finished a PhD, 7.3% had graduated from high school, and 3.9% had finished middle school. The average duration of work experience was 9.3 years ($SD = 6.95$).

5.1 Confirmatory factor analysis

The appropriateness of the 12 items for capturing the three dimensions of ethical blindness was again tested with an exploratory factor analysis (principal-component analysis and varimax rotation). The Kaiser-Meyer-Olkin measure of sampling adequacy was $-.882$. The items loaded on three factors, as expected, accounted for 65.98% of the variance and had loadings of above .40. All three factors again demonstrated high internal consistency, with Cronbach's alpha coefficients of .831, .794, and .714.

We then conducted a confirmatory factor analysis using Mplus version 7.3. We assessed the goodness of fit of the measurement model by comparing two alternative measurement models (Jöreskog & Sörbom, 1989): a first-order one-factor structure and a first-order three-factor structure. As expected, the first-order one-factor structure displayed poor fit (Chi-square [54] = 258.906; $p = .000$; CFI = .803; TLI = .760; RMSEA = .128). The first-order three-factor structure exhibited significant improvements in model fit statistics compared to the first model and showed that a three-dimensional model fit the data

well (Chi-square [51] = 114.699; $p = .0000$; CFI = .939; TLI = .921; RMSEA = .061), since all indicators were at or above the recommended standards (Bagozzi & Yi, 2012; Hinkin, 1998).

Further, we also wanted to test whether the first-order constructs (dimensions of ethical blindness) were reflections of the higher-order construct, ethical blindness. The second-order three-factor model demonstrated the same model fit indices as the first-order three-factor model (Chi-square [51] = 114.699; $p = .0000$; CFI = .939; TLI = .921; RMSEA = .061). Table 2 shows a summary of the loadings.

6 Discussion

Although recent models of ethical decision making explore how intuitive, unconscious, and automatic processes influence unethical behavior without individuals' awareness (Palazzo et al., 2012; Sonenshein, 2007; Welsh & Ordonez, 2013), to date there is little theory explaining the mechanisms through which these processes influence (un)ethical behavior. Despite the fact that ethical blindness has been identified as a construct that can help better understand unconscious, unintentionally unethical behavior, it is still a quite largely unexplored area in the field of research. Little theoretical and empirical work has been done to understand the ethical blindness in organizations or its connection to related constructs. Thus, the aim of the present study was to identify and empirically study the multidimensional nature of ethical blindness at work—that is, to develop a survey instrument that could assess ethical blindness at work.

To ensure that the measure was psychometrically sound, we followed a systematic procedure (e.g., Hinkin, 1998) for developing new measures, using several steps and multiple types of samples to empirically validate the measure of ethical blindness. Interviews described how ethical blindness is manifested, and the first study suggested that there are three different driving forces of ethical blindness at work—rationalization, routine, and ambiguity—that are demonstrably separate from organizational and interpersonal deviance as well as counterproductive work behavior. In the second study, confirmatory factor analysis provided evidence that the hypothesized three-factor structure fit the data. Finally, in the third study, confirmatory analysis was conducted on a larger sample, providing additional evidence that the hypothesized three-factor structure fit the data. Thus, based on qualitative data and three quantitative data sets, empirical evidence suggests that ethical blindness is a multidimensional construct consisting of the 12 items measuring the following dimensions:

rationalization (four items), routine (four items), and ambiguity (four items).

As a result, this paper makes several contributions to research on ethical blindness. First, we contribute to the understanding of ethical blindness at work by outlining the conceptualization of ethical blindness at work and distinguishing this behavior from related constructs. Second, by developing a multi-dimensional measure to assess ethical blindness in organizations, evaluating its psychometric properties, and demonstrating the validity of its constructs, we lay the groundwork for future research. Most research on ethical blindness to date is either theoretical (e.g., [Kump & Scholz, 2022](#)), based on secondary data and cases (e.g., [Smieliauskas et al., 2018](#)), or qualitative research (e.g., [Drumwright & Murphy, 2004](#)). By developing a measurement scale, we lay the necessary conceptual and empirical groundwork that could stimulate future quantitative research and expand knowledge about ethical blindness in organizations. In addition, the paper provides managers with a brief instrument to measure ethical blindness at work. We provide empirical evidence that ethical blindness at work consists of three dimensions—rationalization, routine, and ambiguity—to help managers understand what they can do to reduce the occurrence of ethical blindness (across the dimensions) at work.

6.1 Practical implications

Measuring ethical blindness in the workplace is essential for managers to determine the compliance risks in their organizations and to decide how to enhance the ethical behavior of their employees. This study provides empirical evidence that ethical blindness consists of three dimensions: rationalization, routine, and ambiguity. Thus, if managers are interested in enhancing ethical behavior, they should create a safe work environment in which employees will not be forced to behave unethically and to provide justification for such behavior. Rationalization items suggest that employees sometimes feel pressure to do something unethically in order to keep their job or have mixed feelings about what counts as right or wrong. Managers should also emphasize the importance of ethical behavior and should create a work environment in which unethical behavior is undesirable and sanctioned. Further, the routine dimension of ethical blindness underlines that managers should highlight the importance of the ethical component when performing routine tasks, otherwise employees may unintentionally forget to think about ethics when performing such tasks. In addition, managers should decrease ambiguity by sharing clear instructions among employees, drawing attention to

important information and knowledge, and supervising employees who may become ethically blind due to the lack of experience. Ambiguity about the appropriate behavior can promote unethical decisions in particular where the uncertainty created by ambiguous decision-making situations is reinforced by pressure and results in routines of unethical behavioral patterns. We thus assume that constellations of ambiguity, routine, and the need for rationalization lead to high compliance risks in organizations.

6.2 Limitations and future research

Although this piece of research brings several contributions, some limitations should be acknowledged. One possible limitation of this study is that it was based entirely on self-reported data. Despite the fact that some criticisms of this methodology have been raised ([Sackett et al., 1989](#)), which are centered mainly on social-desirability biases ([Bennett & Robinson, 2000](#)), considerable evidence supports the validity of self-reports ([Spector, 1992](#)). Further, respondents remained anonymous, which has been found to reduce the level of social-desirability bias in business ethics research ([Fernandes & Randall, 1992](#)). In addition, the nature of the issue being investigated necessitated the use of self-reported data because it is difficult to ask coworkers or supervisors to assess an employee's ethical blindness. This is because by definition, ethical blindness is an individual's temporary inability to see the ethical dimension of a decision at stake ([Palazzo et al., 2012](#)), which results in unintentional unethical behavior. However, it is very difficult for an observer (e.g., coworker, supervisor) to assess whether an individual has behaved unethically intentionally or unintentionally. Thus, observer ratings would most likely reflect the observer's broad impression about the individual's behavior and would not be able to accurately assess whether the individual intentionally or unintentionally behaved unethically.

Although the 12-item measure used in the study performed well, further analyses and testing of the scale are necessary to establish more definitive proof of reliability and validity. We conducted a pilot study and collected three independent samples; however, additional studies should replicate the measure on other, larger samples to further validate and generalize the measure. Validating a construct is an ongoing process, and only over time and based on evidence from numerous studies will we be able to support the validity of this measure ([Bennett & Robinson, 2000](#)). The scale should also be adapted and validated for use in other languages and cultures. Furthermore, we established the discriminant validity of ethical blindness from related constructs (i.e., organizational and

interpersonal deviance, counterproductive work behavior); however, discriminant validity against some other related scales should also be assessed.

Considering the results, which revealed three dimensions of ethical blindness, further research should explore the process character of ethical blindness. Palazzo et al. (2012) have described the temporal dynamics that drive ethical blindness. In this sense, the proposed dimensions of ethical blindness may represent three stages with regard to the degree of ethical blindness in such a process. In the first step, people might unintentionally break the rules because it is not clear to them what the rules are. They might feel pressured to do so by their superiors or the example of their peers. Thus, we argue that ambiguous situations are a good starting point for the process of ethical blindness. In the second step, they might rationalize their behavior. Repetition of the immoral or illegal behavior will eventually lead them to believe in their own rationalization. The wrong behavior becomes routinized and the doubts that might have existed at one point have faded away. Ethical blindness theory explains how contextual pressures such as authority pressure, group conformity, aggressive language used by superiors, incentive systems and performance evaluation might in combination create strong contexts in which actors feel pressured to act against their values, while at the same time feeling the need to resolve cognitive dissonances (Palazzo et al., 2012). Rationalization might thus be an entry point into a temporal dynamic towards ethical blindness. As one of the Enron traders famously argued, “you do it once, it smells. You do it again, it smells less” (McLean & Elkind, 2003, p. 128). In the third step, bad practices get routinized, and individuals lose the ability to see the wrongdoing; they do not even need rationalizations anymore. The unethical or illegal practice has become a habit.

Future research may also specify antecedents and consequences of ethical blindness at work. At different stages of the temporal dynamics towards ethical blindness, different aspects of individual framing and contextual pressure might be relevant. For example, unrealistic objectives and aggressive leadership style might be of particular importance in situations where decision makers still feel the need to rationalize their decisions. Once they observe others in their context breaking ethical and legal rules as well, the need to rationalize fades away. If everybody does it, it must be appropriate. Conformity pressure might thus be of particular relevance in the moment where routines are built up that lead to ethical blindness. Aggressive internal competition might be another important element to explain the routinization of bad practices: actors adapt to what they perceive as the rules of the

game. Situations dominated by rationalization and those dominated by routines do also require different timing of measures in order to reduce the risk of going ethically blind. While rationalization might be made more difficult if the right behavior is visible (role models), routinization can be made difficult through the disruption of routines. With regards to ambiguity, ethical blindness might decrease when individuals obtain additional experience or when the rules are clearly communicated, whereas the ethical blindness risks that result from the routinization of inappropriate practices will decrease when individuals change the way they perform their routine work, which may take longer than obtaining additional knowledge or experiences.

Conflict of interest

Author Darija Aleksić declares that she has no conflict of interest. Author Guido Palazzo declares that he has no conflict of interest.

Acknowledgement

This research was financially supported by the Slovenian Research Agency (<https://www.aris-rs.si>) within the research program P5–0441. The funders had no role in the study design, data collection and analysis, decision to publish, or preparation of the manuscript.

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