# ETHICAL FADING: AN ANALYSIS OF CAUSES AND CONSEQUENCES AMONG YOUNG PROFESSIONALS

**Dr. Mary Sudharshini Fernando,**

*Assistant Professor, Department of Accounting & Finance,*
*SRM IST Vadapalani.*

## Abstract

*Ethical fading — where the ethical dimensions of a decision quietly recede until choices appear purely strategic or business-oriented — has become an important topic in behavioral ethics. Although research on ethical leadership and misconduct is extensive, much less attention has been given to Young Professionals (YPs) in the first five years of their careers. This chapter reviews literature on bounded ethicality, organizational socialization, and early professional identity formation to argue that YPs occupy a uniquely vulnerable position. High power distance, pressure to adapt to workplace norms, and cognitive overload heighten their susceptibility to ethical fading. The discussion synthesizes existing scholarship on mechanisms such as euphemistic labeling and incremental moral compromise ("slippery slope"), while also examining consequences including moral identity disruption, psychological strain, and the long-term normalization of deviance.*

*Key Words: Ethical Fading, Behavioral Ethics, Young Professionals, Workplace Ethics, Moral Awareness, Bounded Ethicality, Cognitive Biases, Organizational Pressure, Professional Ethic, Moral Disengagement, Corporate Culture*

## 1. Introduction

In modern organizations, unethical behavior rarely begins as a conscious decision to act immorally. Instead, it often emerges through a subtle psychological mechanism known as **ethical fading**, a term introduced by Tenbrunsel and Messick (2004). Ethical fading occurs when the moral components of a decision gradually disappear from the decision-maker's awareness, reframing the situation as merely a practical or commercial choice.

For **Young Professionals**, the transition from academic life into the workforce intensifies this risk. The early career period is characterized by what may be called the *Newcomer's Dilemma*: the tension between holding onto personal values and adapting to the norms of a new organizational culture. These conditions create an environment where moral considerations can be easily suppressed or overlooked. Using a narrative review approach, this chapter explores why YPs are particularly susceptible to ethical fading and how this impacts their long-term development as professionals.

Among recent graduates, ethical fading often manifests when moral considerations are overshadowed by pressures to perform, achieve social acceptance, or meet implicit expectations. Research connects this to factors such as moral disengagement, inadequate ethics training, peer influences, and the behaviors modeled by mentors. These academic precursors can extend into early professional life, shaping future ethical choices.

## Conceptual Framework

Ethical fading refers to the psychological process through which the moral significance of a decision becomes obscured, enabling individuals to act in self-interested ways without feeling they have violated ethical norms (Kerlin, 1995). Mechanisms such as euphemistic language, incremental deviations, and biases in self-presentation form the foundation of this process.

Closely related is moral disengagement, which consists of deliberate cognitive strategies—such as moral justification or the displacement of responsibility—that help individuals rationalize unethical behavior (Bélanger, 2012; Messick, 2004). Moral reasoning and ethical decision-making abilities are also crucial, as these developmental capacities influence how individuals evaluate ethical dilemmas (Khatun, 2021).

Research further suggests that YPs face particular challenges because of professional socialization, rising job-market pressures, and the need to construct a stable professional identity (Zavala, 2013). These contextual factors interact with psychological mechanisms to heighten vulnerability to ethical fading.

To understand ethical fading during the early stages of a career, this framework draws on three theoretical pillars:

## A. Bounded Ethicality

Bounded ethicality challenges the assumption that individuals are consistently aware of the ethical dimensions of their actions. Bazerman and Chugh (2006) argue that people often overlook ethical cues due to cognitive limitations and situational pressures. The tension between the "want self"—motivated by immediate gains—and the "should self"—oriented toward long-term values—is especially salient in early careers (Bazerman & Tenbrunsel, 2011). YPs commonly experience visceral pressures such as fear of termination or a desire to prove competence, which restrict the mental bandwidth needed for ethical reflection (Loewenstein, 1996).

## B. Organizational Socialization

Organizational socialization refers to the process through which newcomers learn the norms and expectations of their workplace (Van Maanen & Schein, 1979). During the early "encounter phase," young employees are highly impressionable. When organizations prioritize performance metrics over ethical reasoning, YPs may adopt localized norms that contradict broader societal standards.

## C. Professional Identity Formation

Ibarra (1999) explains that early career individuals experiment with "provisional selves," often imitating the behavior of authority figures. If mentors or supervisors exhibit ethical fading, YPs may mirror these actions as part of their identity-building efforts, interpreting such behavior as necessary for professional acceptance.

## Causes of Ethical Fading Among Young Professionals

Ethical fading among graduates and early-career employees arises from the interplay of personal dispositions, social influences, academic preparation, and subtle psychological processes. Empirical studies highlight both individual and contextual factors that support moral disengagement and rationalization (Khatun, 2021; da Rocha, 2015; Circle, 1986; Kerlin, 1995).

## Individual Factors
### 1.Personality and Values

Lower levels of moral reasoning and less developed ethical judgment correlate with greater acceptance of academic dishonesty, suggesting that personal cognitive evelopment shapes vulnerability to unethical choices (Khatun, 2021).

### 2. Misalignment Between Values and Behavior

Even individuals with strong moral beliefs may act unethically when rationalization mechanisms are activated, indicating that stated values alone cannot reliably prevent isconduct (Messick, 2004).

### 3. Obedience to Authority

Milgram's (1963) classic experiments illustrate how individuals may comply with unethical directives from authority figures. YPs, often in subordinate roles, can shift responsibility to superiors, telling themselves they are "just following orders."

### 4. Cognitive Overload and Decision Fatigue

Early career employees frequently face heavy cognitive demands while learning new systems and expectations. This mental burden reduces their capacity for deliberate, ethical reasoning (Kahneman, 2011). Research shows that when cognitive resources are depleted, individuals resort to automatic, compliance-oriented thinking (Gino et al., 2011).

## Contextual Factors
### 1. Peer Influence

Perceived acceptance of cheating or slight rule-bending among peers strongly predicts ethical lapses by normalizing deviance (Bélanger, 2012).

### 2. Mentoring and Role Models

Mentors significantly shape protégés' ethical perceptions. In some cases, mentors inadvertently reinforce moral disengagement, particularly in high-pressure fields like accounting (da Rocha, 2015).

### 3. Competitive Pressures

Intense job-market competition and pressure for performance lead graduates to prioritize outcomes over ethical processes (Zavala, 2013; Circle, 1986).

**4. The Slippery Slope Effect**

Gino and Bazerman (2009) show that gradual ethical decline often goes unnoticed. YPs typically begin with minor deviations—such as backdating a document—and gradually become more tolerant of unethical behavior as small acts accumulate.

**Educational and Developmental Factors**
**1. Curriculum Gaps**

Many academic programs still underemphasize ethics, leaving graduates unprepared to navigate real-world moral dilemmas (Steinbauer, 2020; Guerrero-Dib, 2023).

**2. Early Socialization into Professional Norms**

Internships and initial jobs expose students to discipline-specific norms that can either strengthen or compromise ethical standards (Circle, 1986; Zavala, 2013).

**Psychological Mechanisms**
**1. Self-Deception Tools**

Euphemisms, gradual rationalizations, and misattributions reduce the perceived ethical weight of decisions (Kerlin, 1995).

**2. Moral Disengagement**

Bandura's mechanisms—such as diffusion of responsibility or dehumanization—facilitate movement from intention to unethical action (Bélanger, 2012; Messick, 2004).

**3. Obedience and Agency Displacement**

YPs may shield themselves psychologically by framing actions as compliance with authority rather than personal choice.

**Consequences of Ethical Fading**

Ethical fading carries implications for individuals, organizations, and broader society. The literature links moral disengagement to academic misconduct, professional lapses, and long-term risks for institutional integrity (Bélanger, 2012; Messick, 2004; da Rocha, 2015; Kerlin, 1995).

**Individual Consequences**
**1. Academic and Professional Risks**

Engaging in dishonest behaviors during university increases the likelihood of disciplinary action and can undermine trust when entering the workforce (Bélanger, 2012).

**2. Psychological Strain**

Conflicts between one's values and one's behavior often produce cognitive dissonance (Festinger, 1957). Among YPs, this dissonance may appear as anxiety, diminished job satisfaction, and emotional exhaustion rather than explicit guilt.

**Organizational Consequences**
**1. Erosion of Ethical Norms**
Unchecked moral disengagement can spread through teams and departments, normalizing unethical practices (da Rocha, 2015).

**2. Limitations of Compliance-Based Training**
Training that focuses solely on rules rather than psychological mechanisms fails to address the roots of ethical fading (Kerlin, 1995).

**3. Institutionalization of Deviance**
Vaughan's (1996) analysis of the Challenger disaster illustrates how small deviations can become standard practice. When YPs internalize faded ethics early, they may perpetuate these norms as they advance into leadership roles.

**Societal Consequences**
Widespread acceptance of minor academic or professional misconduct contributes to broader social tolerance of corruption and weakens public trust in institutions (Bélanger, 2012; Messick, 2004).

**Long-Term Effects**
Patterns of rationalization formed in educational settings may persist across careers, though more longitudinal research is needed to confirm the full trajectory (da Rocha, 2015; Kerlin, 1995).

**Mediators, Moderators, and Interventions**
Empirical studies indicate that moral disengagement and peer norms are key mediators linking individual and environmental factors to unethical outcomes. Interventions aimed at disrupting these cognitive mechanisms show promising initial results (Messick, 2004; Bélanger, 2012; Kerlin, 1995).

**Mediators**
**1. Moral Disengagement**
Acts as a psychological bridge that turns normative beliefs into actual intentions to behave unethically (Messick, 2004).

**2. Perceived Peer Behavior**
Normalizes misconduct by reinforcing the belief that "everyone does it" (Bélanger, 2012).

**Moderators**
**1. Mentor Ethics**
The ethical orientation of mentors can either buffer or intensify moral disengagement in protégés (da Rocha, 2015).

## 2. Educational Approaches

Values-driven curricula reduce susceptibility to ethical fading, though many programs still fail to address self-deception (Kerlin, 1995; Khatun, 2021).

## Interventions

- **Case-based ethics training** that focuses on specific mechanisms of disengagement has been shown to reduce cheating (Bélanger, 2012).
- **Training that addresses euphemisms and rationalization patterns** is more effective than rule-based approaches (Kerlin, 1995).
- **Mentor oversight and ethical modeling** are crucial for shaping YP behavior (da Rocha, 2015).

## Conclusion

Ethical fading represents a significant challenge for young professionals entering work environments defined by pressure, uncertainty, and competitive expectations. While ethics education lays a foundation, organizational and contextual pressures often overshadow moral principles. This literature review integrates key theories and empirical studies to explain how ethical fading occurs and why young employees are especially vulnerable. Strengthening ethics training and organizational ethics systems can help mitigate ethical fading and support ethical decision-making in modern workplaces.

## Methods and Research Gaps

Research on ethical fading among graduates relies heavily on conceptual analyses, cross-sectional surveys, mediation studies, and descriptive case reports. While these illuminate important mechanisms, they leave significant gaps—particularly in causal inference and long-term impact measurement (Kerlin, 1995; Khatun, 2021; Bélanger, 2012; Guerrero-Dib, 2023).

## Methodological Patterns

- **Cross-sectional designs** dominate the literature, often using convenience samples of students and early-career professionals (da Rocha, 2015; Khatun, 2021).
- **Survey instruments** measuring moral reasoning, disengagement, and intentions are common (Khatun, 2021; Messick, 2004).
- The field relies heavily on theoretical frameworks to interpret observed behavior (Kerlin, 1995).

## Research Gaps and Recommendations

- Current research lacks longitudinal studies tracing the progression from academic ethical fading to workplace misconduct.

- More experimental evaluations of ethics curricula are needed to assess intervention effectiveness.
- Cross-cultural studies would help determine how ethical fading varies across educational and professional environments.
- Future work should explore the role of mentor influence, organizational socialization, and cognitive interventions more systematically.

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