



PEER INFLUENCE

HOW OTHERS IMPACT THE WAY WE BEHAVE

A Product of an ERC Fellows Working Group

It doesn't take a social scientist to tell us that our peers, whether inside or outside the workplace, can influence the way we behave. But that influence may not be deliberate, and it is often unconscious and undetected. Research can help us understand the ways peers exert influence, the implications for ethical behavior, and what we can do to benefit from the good influences and control for the bad.

Work peers matter because many of us spend more of our waking hours with coworkers than with anyone else. And, the features of the modern workplace – flatter organizations, virtual teams, and significant outsourcing – may make peer influence more powerful than ever. That means not only that “a greater number of managers need to get things done through peers inside and outside their organizations”¹ but also there is a premium on understanding the potential impacts of workplace peers on employees' ethical conduct.

Peer influence, which involves the comments, the looks, attitudes, and the behavior a person observes, is often subtle. It does not necessarily require physical proximity and can take place through social media and other long-distance communication that overcomes geographic barriers and distance. Further, peer influence is not limited to co-workers; workers can be influenced by colleagues and peers in the field, outside of one's own company.

KEY TERMS

PEERS: Vary depending on the context. In a business, one's peers are those who come from similar hierarchical and power levels. High-level leaders may have few peers within their own organization. Instead, their peers may be those in other organizations with similar roles and authority.

IN-GROUP: A group that an individual identifies with as a member.

OUT-GROUP: A group that an individual does not identify with as a member.

1. Harvard Management Update (HMU). 2003. “Exerting Influence Without Authority.” <http://blogs.hbr.org/2008/02/exerting-influence-without-aut/> Accessed: June 11, 2014.

TEST CASE

One company used research on peer influence to draft and roll-out its new Code of Conduct:

- The Code talks about “beliefs and conduct that unite and guide us as employees” rather than using a top down approach.
- In order to reinforce peer commitment, employees discussed in small peer groups how the new Code applied in their areas. A video used as part of the roll-out included examples of peers helping each other avoid mistakes and misconduct.
- The employees then publicly affirmed their commitment to the Code principles by signing a large mockup along with their peers.

WHAT RESEARCH TELLS US

Peers influence us—whether we realize it or not

Whether we realize it or not, we are frequently influenced by our peers. We laugh more readily if others are laughing; we are quicker to help others if we see someone else doing so; and we are more likely to ignore suffering if others also are indifferent.² Research shows that peer influence may lead us to agree with peers, even though we are not convinced by the facts. In one classic experiment, a group of young men was asked whether four or five vertical lines were of equal or unequal length. In cases when the lines were clearly unequal, but when four out of five participants said they were equal, the fifth person (the subject of the experiment) often said that they were equal.³

Despite the powerful effect of peers, people are often unaware of peer influence when it occurs. For example, people who see someone else give money to a street musician are more likely to contribute even if they claim later that they did not see others do so.⁴

Peer influence can take place at a distance, not just through direct personal interaction. For example, reading about what others do can influence our own behavior. Telling hotel guests that others staying there use their towels for more than one day makes the guests much more likely to re-use towels than telling them it is good for the environment.⁵

PEER INFLUENCE AND ETHICAL BEHAVIOR

“Psychological closeness” to someone who behaves unethically can make it more likely that a person will act unethically himself.⁶ On the positive side, psychological closeness can influence one’s behavior for the better as well. Significantly, this feeling of psychological closeness can take hold through somewhat shallow connections, such as random assignment to the same group or sharing the same name.

Group behavior also can change one’s conduct. Faced with a disconnect between an individual’s internal moral compass and the moral compass of the in-group⁷, an individual may imitate the group’s peer behavior even when it deviates from his or her predisposed inclinations and beliefs.

Peer influence can lead to pressure to conform. At the group level, this can lead to groupthink⁸, which occurs when members of a group (informal or formal), who want to avoid “rocking the boat” conform, stifling critical evaluation of the group’s ideas, behaviors, and decisions. Symptoms of groupthink may include illusions of invulnerability and unanimity, self-censorship of members, pressure on dissenters, and out-group stereotypes. Consequently groupthink can lead to collective rationalization of the group’s decisions as being “ethical”—even when they are not.



2. Moore C, Gino F. 2013. Ethically adrift: how others pull our moral compass from true north and how we can fix it. *Research in Organizational Behavior* vol 33 pages 53-77 2013.

3. Asch, Solomon E. “Opinions and social pressure.” *Readings about the social animal* (1955): 17-26.

4. Gino F, Galinsky AD. 2012. Vicarious dishonesty: when psychological closeness creates distance from one’s moral compass. *Organ. Behav. Hum. Decis. Process.* 119:15–26.

5. Griskevicius, Vladas, Robert B. Cialdini, and Noah J. Goldstein, 2008. “Applying (and Resisting) Peer Influence.” *MIT Sloan Management Review* 49 (2), p. 87.

6. Gino F, Galinsky AD. 2012. Vicarious dishonesty: when psychological closeness creates distance from one’s moral compass. *Organ. Behav. Hum. Decis. Process.* 119:15–26.

7. The combined impacts of groupthink and the desire to fit-in with one’s in-group mean that in-group influence on the ethicality of behaviors is more pronounced than the impact of out-group actions.

8. Janis, I.L. (1972). *Victims of groupthink: A psychological study of foreign policy decisions and fiascos*. Boston: Houghton Mifflin Company.

PEER INFLUENCE AND ORGANIZATIONAL CULTURE

It is widely understood that corporate culture can have a significant impact on an individual's behavior. Many organizations, believing in the value of organizational norms (the "way we do things around here"), focus on developing strong /positive cultures in the workplace. But it is important to appreciate that large organizations are typically composed of various subcultures. In general, there is a strong tendency to follow local norms rather than broader organizational norms.⁹ This transition between divergent organizational norms can occur in a short period of time when people move between units.

It is also important to recognize that subgroups exist within organizations, and peers/coworkers within these subgroups often have a powerful influence on each others' behavior. As a result, the creation of a strong ethics culture throughout the organization requires efforts targeted at multiple levels.

SEVERAL FACTORS CAN ENHANCE OR MITIGATE THE POWER OF PEER INFLUENCE

Peer influence is more powerful in certain situations-and among certain individuals than others. Factors to be aware of include:

- **Uncertainty:** The influence of peers increases during times of organizational change.
- **External threat:** External threats increase group cohesiveness, which can in turn increase the influence of peer group members and reduce the likelihood that group members critically evaluate the decisions they are making.
- **Homogeneity:** Similarity among peers can lead to erroneous perceptions that the right decisions are being made. One study found that while homogenous groups are actually less effective than heterogeneous groups, the homogenous groups have a greater belief in their effectiveness than heterogeneous groups.
- **Just treatment & organizational policies:** Research shows that when employees perceive that the organization treats them justly (regarding outcomes or processes) they are more willing to report wrongdoings, even if it involves their peers, than if they believe they are treated unjustly.¹⁰
- **Power:** Power can mitigate the effects of peer influence. As a result, those who hold power in an organization are less likely to go against their own instincts and change their behavior because of peer influence.



THE GOOD AND BAD OF PEER INFLUENCE

As we have seen, peers can influence decision-making, even altering a person's internal moral compass. It's not uncommon for peers to enforce norms of loyalty that discourage people from reporting their peers' misconduct. Thus, an employee who sees other employees stealing from the work place, filing false expense accounts, or engaging in other unethical or illegal behaviors may be reluctant to report the misconduct in order to avoid being viewed negatively by their peers.

Peer influence can be a positive or a negative. Sideways looks, whispering that is intended to be overheard, and similar negative interpersonal and group behaviors can lead people to conform to negative group norms instead of acting in the ways they think are right. On the other hand, a single person (or, better, a few persons) in a department who does the right thing may well inspire their peers to do the same.

WHAT WE DON'T KNOW/WHAT WE NEED TO LEARN ABOUT:

We still need to have a better understanding of:

- how changes in the workplace (e.g., virtual workplaces and social media) are impacting peer influence.
- how to increase individuals' responsibility to:
 - recognize the influence they have on peers.
 - be a positive influence by making ethics part of the daily conversation and decision-making in work groups.
 - (when necessary) transcend negative peer influences.

9. Pierce L, Snyder J. 2008. Ethical spillovers in firms: evidence from vehicle emissions testing. *Manage. Sci.* 54:1891–903

10. Victor, B., Treviño, L.K. & Shapiro, D. Peer reporting of unethical behavior: The influences of social context conditions and justice perceptions, *Journal of Business Ethics*, 12: 253 263, 1993.

WHAT DOES THIS MEAN FOR YOU? IMPLICATIONS OF THE RESEARCH.

- Firms may use peers to spread important communications. Some messages are better transmitted horizontally than vertically. The solely top-down approach may be a missed opportunity to take advantage of peer influence that spreads horizontally. Some organizations are already moving away from a top-down approach to ethical leadership and investing in “ethics champions” who can advance top management’s message and positively influence coworkers at all levels.
- Organizations can counteract negative peer influence (for example, not to report misconduct when observed) by making concerted, overt efforts to be just in their treatment of employees. In organizations that treat employees fairly, workers have greater trust in and feel more supported by the organization as a whole, which may help counteract negative influences from peers.
- Organizations should be especially concerned about peer influence when pressure and uncertainty are high because of external threats, tight deadlines, or other stressful circumstances.
- Organizations can map their social networks to better understand informal peer influences and identify those employees who are most central to information networks and, therefore, most likely to influence peers. These individuals can be engaged to promote ethics and compliance efforts.
- When peers are part of the same group—a task force, committee, department— decision makers should take measures to avoid groupthink by trying to design groups that are heterogeneous. They also should encourage genuine consideration of a range of views.
- Given the increasing importance of lateral leadership and peer influence, managers should consider inviting peer teams to discuss how organizational values relate to and should be applied in the workplace, rather than unilaterally imposing a course of action.
- When planning communications and training around ethics and compliance, ethics and compliance professionals should make intentional efforts to reinforce the value of creating positive group norms to better leverage peer influence.

ADDITIONAL RESOURCES

Bottary, Leo. 2012. “Peers and the Power of Persuasion”

<http://blog.vistage.com/business-leadership/peers-and-the-power-of-persuasion/>

<http://ethicsystems.org/content/contextual-influences#AREAS%20OF%20RESEARCH>



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