

Article

# The Ethics of Influence: A Review of Nudging Applications in Corporate Ethics and Their Role in Combating Organizational Misconduct

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**Abstract:** This qualitative literature review explores the role of behavioral nudging as a tool for enhancing corporate ethics and curbing organizational misconduct. Drawing on empirical and theoretical studies from behavioral ethics, organizational psychology, and compliance management, the review examines how subtle interventions—such as reminders, social norm cues, and visual prompts—can influence ethical decision-making in the workplace. The findings suggest that nudges are effective in reducing ethical fading, improving compliance, and reinforcing ethical culture when aligned with organizational values and context. However, concerns regarding manipulation, cultural adaptability, and long-term efficacy remain. This review highlights the importance of integrating nudging within a broader ethical infrastructure and calls for future research on scalable, transparent, and culturally sensitive applications of ethical influence in diverse organizational settings

**Keywords:** Behavioral Ethics; Ethical Nudging; Organizational Misconduct; Corporate Ethics; Compliance Interventions

## 1. Introduction

The modern workplace is increasingly vulnerable to ethical erosion, where misconduct, dishonesty, and non-compliance often arise not out of deliberate malice but due to ethical blind spots (Bazerman & Tenbrunsel, 2011; Palazzo, Krings, & Hoffrage, 2013). These blind spots emerge when individuals fail to perceive the ethical dimensions of their actions, especially in contexts characterized by ambiguity, anonymity, or systemic injustice (Decrinis, 2024). Traditional corporate compliance programs, while widely implemented, frequently fall short in addressing the nuanced psychological and contextual drivers of unethical behavior (MacLean & Behnam, 2010; Park & Blenkinsopp, 2013). Employee engagement behavior has a positive effect on employee creativity (Wajong et al., 2020). In this evolving ethical landscape, “nudging”—a behavioral economics concept grounded in libertarian paternalism—has emerged as a promising tool for subtly steering ethical behavior without restricting individual freedom of choice (Thaler & Sunstein, 2008; Baldwin, 2014).

Originally designed for public policy and consumer decision-making, nudging has increasingly been adopted within organizational settings to foster ethical conduct, promote rule adherence, and preempt misconduct (Haugh, 2017; Rozeboom, 2023). Nudging operates by modifying the decision-making environment—also known as the “choice architecture”—to influence behavior while maintaining autonomy (Benartzi et al., 2017; Hauser, Gino, & Norton, 2018). A positive relationship between transformational leadership, job satisfaction, and organizational citizenship behavior human capital (Djap, W. et al., 2022). Examples include reminders of moral norms, visual cues that suggest surveillance, or default options designed to promote honesty (Ayal et al., 2021; Schild et al., 2019). Recent organizational research has extended this application to ethical behavior, suggesting that nudges can effectively mitigate blind spots by enhancing employees' moral salience in ethically ambiguous situations (Friedland, Myrseth, & Balkin, 2023; Decrinis, 2024).

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Despite its potential, the ethics of using nudges to influence behavior within corporate ethics programs remain contested. Critics argue that nudges, particularly when deployed without transparency, may undermine autonomy or be used manipulatively (Ruehle, 2023). Ethical concerns also emerge regarding legitimacy, especially when nudging tactics are used in contexts of power asymmetry, such as the workplace (Bolton, Dimant, & Schmidt, 2021). As organizations strive to cultivate ethical cultures in the wake of scandals—from the Volkswagen emissions deception to the Deepwater Horizon disaster—questions about the moral permissibility, effectiveness, and governance of such influence strategies become increasingly relevant (Lynch, Cutro, & Bird, 2017; Kelly-Detwiler, 2012).

This literature review investigates the application of nudging in corporate ethics initiatives, focusing on its role in preventing organizational misconduct. It explores how nudges can be ethically and effectively integrated into values-oriented ethics programs, rather than solely compliance-driven frameworks. This distinction is vital. Compliance-oriented systems tend to rely heavily on rule enforcement and monitoring, often resulting in "decoupling"—a phenomenon in which formal ethics codes fail to permeate organizational culture and practice (Bromley & Powell, 2012; Bartley & Engels-Zandén, 2016). In contrast, values-oriented systems promote internal moral awareness and intrinsic motivation among employees (Kaptein, 2011; Cabana & Kaptein, 2024).

Emerging evidence suggests that when ethical nudges are applied in environments marked by uncertainty, anonymity, or perceived injustice, they can help reorient moral cognition and reduce unethical behavior (Bazerman & Sezer, 2016; Decrinis, 2024). For instance, visual cues such as images of watching eyes have been shown to reduce dishonesty in field settings by increasing perceptions of accountability (Ayal et al., 2021; Köbis et al., 2022). Likewise, moral symbols or reminders can activate ethical schemas, enhancing the salience of right and wrong at critical moments of decision-making (Desai & Kouchaki, 2017; Hardin, Bauman, & Mayer, 2020). Nudges that emphasize collective identity and ethical culture—such as photos of family or team pledges—also foster pro-social behavior and curb transgressions (Hauser, 2020; Rider et al., 2023).

Nevertheless, the effectiveness of nudging is contingent on its alignment with the organization's ethical climate and the broader socio-psychological context. Nudges may fail—or even backfire—when perceived as coercive, manipulative, or inconsistent with employees' values and expectations (Bolton et al., 2021; Rozeboom, 2023). The phenomenon of "ethical fading," where individuals reinterpret unethical actions in morally neutral terms, further complicates the use of nudging strategies (Rees, Tenbrunsel, & Bazerman, 2019; Shalvi et al., 2015). Sharia law provides a strong ethical framework for environmental management, emphasizing sustainability, ecosystem balance, and human religious responsibility toward nature (Eka Wahyu Kasih, et al, 2024). This challenge highlights the importance of integrating nudging into comprehensive, participatory ethics initiatives that foster open dialogue, collective accountability, and cultural reinforcement (Scharдинг & Warren, 2022; Decrinis, 2024).

Another limitation of traditional ethics programs that nudging may help to overcome is the ineffectiveness of one-size-fits-all training modules, which often fail to resonate with employees or influence behavior over the long term (Craft, 2010; Hauser, 2020). In contrast, behavioral interventions such as nudges are often more scalable, adaptive, and grounded in empirical evidence from psychology and behavioral economics (Benartzi et al., 2017; Hertwig & Mazar, 2022). For example, randomized controlled trials have shown that default settings and social norm cues significantly reduce workplace dishonesty and increase reporting of unethical conduct (Martuza et al., 2022; Sharma et al., 2021). These findings have led some organizations, such as Novartis and JPMorgan, to embed behavioral science into their ethics codes and compliance protocols (Engler, 2020; Son, 2015).

Ultimately, this review seeks to synthesize the burgeoning literature on nudging applications in corporate ethics, with a focus on identifying the conditions under which nudges can ethically and effectively support ethical decision-making. Through a qualitative synthesis of interdisciplinary research—including management studies, behavioral ethics, organizational psychology, and regulatory theory—this study evaluates how nudging complements or challenges existing ethics frameworks. Furthermore, it aims to develop a conceptual model to guide managers, compliance officers, and policymakers in designing ethical interventions that are context-sensitive, employee-centric, and legitimacy-enhancing (Decrinis, 2024; Rozeboom, 2023).

In doing so, the review contributes to ongoing debates about the ethics of influence in organizational life and the evolving role of behavioral science in shaping corporate conduct.

As the boundaries between persuasion, compliance, and ethical leadership continue to blur, understanding how to nudge ethically—without nudging aside ethics—is more important than ever.

## 2. Literature Review

The modern organization is increasingly vulnerable to ethical lapses despite formal compliance systems, necessitating a shift from command-and-control structures to behavioral-based interventions. Nudging, a behavioral economics concept that subtly guides decision-making without limiting choice, has garnered attention as an ethical tool to reduce misconduct (Sunstein, 2014). This literature review explores how nudging is being applied within corporate ethics and assesses its potential and limitations in curbing organizational misconduct.

**Nudging as a Behavioral Ethical Strategy.** Nudging leverages insights from psychology to influence decisions in predictable ways (Thaler & Sunstein, 2008). Leonie Decrinis (2024) offers a foundational analysis, highlighting that nudging can complement traditional ethics programs by addressing bounded rationality and ethical fading—phenomena where individuals unconsciously deviate from moral norms due to environmental and cognitive pressures. This is supported by Bazerman and Tenbrunsel (2011), who argue that ethical blindness often results from systemic organizational pressures rather than individual moral failure.

Incorporating "watching eye" cues and social norms into organizational spaces has been empirically shown to deter dishonest behavior, as demonstrated by Ayal, Celse, and Hochman (2021) in their study on fare evasion. Their findings mirror the earlier REVISE model proposed by Ayal et al. (2015), which outlines principles for reducing unethical behavior through reminders, visibility, and self-engagement.

**Applications of Nudging in Ethical Programs.** Ethical programs benefit from embedding nudges into daily practices. For instance, Desai and Kouchaki (2015) found that changing work-report formats (e.g., from unit-reporting to cost-reporting) significantly reduces overbilling, by heightening accountability through format design. Similarly, Costa et al. (2024) tested nudging interventions in the steel industry, where simple behavioral cues increased safety compliance.

Nudges have also been used to tackle misconduct in sectors like pharmaceuticals. Engler (2020) reports that Novartis used behavioral science to identify gaps in ethical adherence and compliance, illustrating how corporate codes can be redesigned to reflect behavioral insights.

**Nudging and Organizational Culture.** Corporate culture deeply mediates the effectiveness of nudging strategies. Cabana and Kaptein (2024) argue that team ethical culture functions as a coupling mechanism that links ethics programs with behavioral outcomes. Likewise, Bromley and Powell (2012) caution against decoupling, where organizations formally adopt ethics codes but fail to integrate them into everyday behavior. Bartley and Engels-Zandén (2016), in their study of Indonesian labor standards, show how unions can leverage corporate social responsibility mechanisms to bridge the implementation gap.

The notion of "nudging compliance" aligns with Haugh's (2017) suggestion that nudges can transform legalistic compliance into habitual ethical behavior. Yet, scholars such as Rozeboom (2023) and Ruele (2023) warn of potential ethical dilemmas, emphasizing the need to assess the moral permissibility of influencing employee behavior through digital and analog nudges.

**Nudging, Social Norms, and Peer Effects.** Social identity and peer behavior are critical moderators of nudging effectiveness. Escartín et al. (2013) demonstrate that social identification reduces workplace bullying, while Köbis et al. (2022) show that anti-bribery posters leveraging social norms reduce corruption. These findings align with the classic exchange theory (Homans, 1958), suggesting that ethical behavior is reciprocally influenced by perceived social expectations.

Similarly, Gino and Pierce (2010) explain that people sometimes justify unethical behavior to restore perceived equity, particularly when others are seen as gaining unfair advantage—a phenomenon nudges can potentially neutralize by reinforcing fairness norms.

**Boundary Conditions and Backfire Effects.** While nudging is generally seen as beneficial, its limitations must be acknowledged. Bolton, Dimant, and Schmidt (2021) identify conditions under which nudges can backfire, particularly when combined with incentives that create plausible deniability for unethical actions. Feldman and Halali (2019) emphasize that subtle

conflicts of interest may render even well-designed nudges ineffective, as people often rationalize self-serving behavior.

Moreover, Martuza et al. (2022) question the replicability of honesty nudges in real-world settings, finding limited effects in the insurance industry. This suggests that context and implementation fidelity are vital for nudging to work as intended.

Toward a Taxonomy of Nudging Interventions. Hertwig and Mazar (2022) propose a taxonomy of honesty interventions, classifying nudges based on their cognitive mechanisms—reminders, visibility, and default settings. This aligns with Schild et al. (2019), who experimentally re-evaluated the REVISE principles and found that while reminders and visibility are effective, their combination does not always produce additive effects.

Friedland, Myrseth, and Balkin (2023) argue that nudging should be coupled with ethical reflection to avoid automatic moral disengagement. This echoes Moore and Gino (2013), who show that unconscious moral drift can be reversed through deliberate moral calibration.

Enhancing Nudging with Leadership and Symbolism. Leadership plays a critical role in magnifying the impact of nudges. Haunstrup and Jensen (2024) show that leadership training paired with just-in-time nudges facilitates behavioral transfer in public organizations. Similarly, Brown, Treviño, and Harrison (2005) highlight how ethical leadership models behavior for subordinates, reinforcing organizational values.

Symbolic nudges, such as moral artifacts or visual cues, also show promise. Desai and Kouchaki (2017) found that symbolic items, like religious or cultural artifacts, can decrease unethical compliance, serving as subtle moral reminders in ambiguous contexts.

Integrating Nudging with Formal Ethics Programs. Well-integrated ethics programs serve as the foundation for effective nudging. Kaptein (2015) argues that the scope, composition, and sequence of ethics programs matter more than their mere existence. This view is supported by Park and Blenkinsopp (2013), who find that ethical culture has a greater impact on misconduct reduction than policy alone.

Schwartz (2016) offers an integrated model of ethical decision-making, emphasizing the role of situational, individual, and organizational factors—nudging interventions operate best when aligned with these variables.

Nudging presents a promising but ethically complex method for combating organizational misconduct. While effective in shaping behavior, nudging must be transparently implemented, contextually tailored, and complemented by reflective ethical infrastructures. Future research should explore long-term impacts, ethical legitimacy, and sector-specific applications to ensure that influence does not become manipulation.

### 3. Proposed Method

This study employs a qualitative literature review methodology to synthesize and critically evaluate existing research on the application of nudging strategies within corporate ethics frameworks, particularly in mitigating organizational misconduct. A qualitative review approach is appropriate for exploring conceptual patterns, theoretical developments, and interpretive themes across interdisciplinary literature (Snyder, 2019). Rather than aggregating numerical outcomes as in meta-analysis, this method allows for interpretive integration of behavioral, ethical, and managerial insights surrounding the ethics of influence in organizational settings (Tranfield, Denyer, & Smart, 2003).

The review was structured according to the integrative review model suggested by Torraco (2005), which is suitable for advancing conceptual understanding across emerging and fragmented research domains. The objective is to identify how nudging has been operationalized, the ethical implications of its use, and the extent to which it supports or complements formal corporate ethics programs. Following the guidance of Xiao and Watson (2019), the review focused not only on synthesizing past research but also on identifying research gaps and future theoretical contributions.

A systematic and iterative search strategy was employed to identify peer-reviewed literature and practitioner reports published between 2000 and 2024. The search was conducted across major academic databases, using combinations of keywords such as: "nudging and corporate ethics", "behavioral ethics and misconduct", "nudge and unethical behavior", "behavioral intervention and compliance", "digital nudges and organizational ethics". This approach aligns with Okoli and Schabram's (2010) structured literature review process, which emphasizes transparency and replicability in the selection and evaluation of sources.

To ensure thematic relevance and methodological rigor, the following inclusion criteria were applied: Peer-reviewed journal articles or working papers from reputable institutions; Literature that focuses on the ethical application of nudging within organizations; Studies addressing organizational misconduct, ethical fading, or compliance behavior; Conceptual, theoretical, or empirical research, including experimental and field-based studies. Articles were excluded if they: Focused solely on consumer behavior or public policy nudging without organizational relevance; Did not provide clear ethical implications; Were opinion-based with no substantive theoretical grounding.

Following Siddaway, Wood, and Hedges (2019), a PRISMA-inspired flow was followed to refine the initial 187 articles to a final sample of 56 high-quality sources, including empirical studies (e.g., Ayal et al., 2021; Martuza et al., 2022), conceptual frameworks (e.g., Bazerman & Tenbrunsel, 2011; Sunstein, 2015), and applied ethics cases (e.g., Decrinis, 2024; Haunstrup & Jensen, 2024).

A thematic synthesis was conducted to identify emerging patterns and conceptual themes across the literature, consistent with the qualitative synthesis approach described by Thomas and Harden (2008). Articles were first coded using open coding, followed by axial coding to group related constructs such as “nudging ethics,” “compliance enhancement,” “symbolic cues,” “bounded ethicality,” and “peer accountability.” The process was informed by Braun and Clarke’s (2006) six-phase framework for thematic analysis, ensuring that findings were grounded in the original texts while allowing for analytical interpretation.

A software-assisted qualitative analysis tool, MAXQDA, was used to support coding, categorization, and extraction of illustrative quotes and concepts. This ensured transparency and consistency in the synthesis process (Nowell et al., 2017).

To maintain the integrity of the review, the Mixed Methods Appraisal Tool (MMAT) was used to assess the quality of included studies (Hong et al., 2018). Studies that lacked methodological transparency or ethical consideration in their intervention design were marked as lower confidence, but retained for conceptual contrast.

Additionally, triangulation of theory and findings was achieved by incorporating research from multiple disciplines—including behavioral economics, organizational ethics, law, and social psychology (Bazerman & Sezer, 2016; Kaptein, 2015; Sunstein, 2014)—to reduce single-discipline bias and enhance the robustness of interpretations.

#### 4. Results

The literature reveals that nudging strategies, when ethically designed and contextually implemented, play a significant role in influencing ethical behavior and mitigating organizational misconduct. However, their effectiveness depends on the integration with ethical infrastructure, organizational culture, and transparency in application.

**Nudging as a Complementary Mechanism to Formal Ethics Programs.** Research indicates that nudges can strengthen the implementation of ethics programs by subtly shaping employee behavior without mandating compliance. For instance, Decrinis (2024) found that integrating behavioral nudges—such as moral reminders and visual cues—within ethics training increased ethical attentiveness and reduced moral disengagement among employees. This aligns with Kaptein’s (2015) assertion that ethics programs are more effective when supported by a culture that fosters ethical decision-making through indirect behavioral interventions.

Similarly, Hardin, Bauman, and Mayer (2020) demonstrated that displaying family photos or reminders of personal relationships at the workplace significantly reduced the likelihood of unethical behavior, as such cues activated moral self-concepts.

**Social Norms and Visibility as Behavioral Influencers.** A growing body of evidence emphasizes the power of descriptive norms and peer accountability in reducing dishonest behavior. Ayal, Celse, and Hochman (2021), in a field experiment on public transportation, revealed that watching-eye cues and social norm messages reduced fare evasion by appealing to reputational concerns and perceived surveillance. Schild et al. (2019) further validated that REVISE (Reminders, Visibility, and Self-engagement) nudges can substantially lower cheating behavior in lab experiments.

These findings suggest that nudges anchored in social context—rather than abstract moralizing—are more effective in modifying behavior in organizational environments (Bazerman & Sezer, 2016).

The Role of Ethical Infrastructure and Culture. The efficacy of nudges is moderated by the ethical infrastructure of the organization. Cabana and Kaptein (2024) found that team ethical culture mediates the relationship between ethics programs and the prevalence of unethical behavior, indicating that nudging interventions alone may not suffice unless embedded within a strong ethical framework.

Moreover, companies that maintain symbolic consistency between values and behavior are more successful in leveraging nudges. MacLean and Behnam (2010) cautioned that decoupling formal compliance from actual conduct may render nudging strategies superficial or even manipulative, fostering cynicism among employees.

Potential Backfire and Ethical Risks of Nudging. Not all nudges yield positive outcomes. Bolton, Dimant, and Schmidt (2021) found that nudges combining implausible deniability with weak social incentives could backfire, leading to reactance or disengagement. Similarly, Ruehle (2023) raised ethical concerns over digital nudging, especially when used in opaque ways that compromise autonomy or bypass informed consent.

This emphasizes the need for transparency and justification in designing nudges, especially in ethically sensitive contexts such as compliance, whistleblowing, or performance evaluation (Sunstein, 2015).

Field Evidence on Organizational Nudging Applications. Corporate case studies offer pragmatic insights into the real-world application of behavioral ethics tools. For example, Novartis' application of behavioral science to redesign its code of ethics demonstrated increased self-reporting of ethical concerns and deeper engagement with compliance tools (Engler, 2020). Likewise, Costa et al. (2024) documented how nudging safety behavior in the steel industry led to statistically significant improvements in protective equipment usage and hazard reporting.

These studies illustrate how behavioral interventions, when grounded in empirical insights and organizational alignment, can enhance ethical performance and reduce misconduct risk.

## 5. Discussion

The integration of nudging strategies into corporate ethics presents a compelling avenue for addressing organizational misconduct through subtle behavioral interventions. Nudging, as theorized by Thaler and Sunstein (2008), involves structuring choices in a way that influences behavior without eliminating freedom of choice. This method has increasingly gained traction in corporate governance and ethics due to its non-coercive nature and its psychological appeal.

One of the key findings in the literature is the efficacy of nudges in promoting ethical behavior through visibility and self-engagement cues. Ayal et al. (2015) introduced the REVISE framework—Reminding, Visibility, and Self-engagement—as a set of principles for reducing unethical behaviors, which Schild et al. (2019) subsequently validated in experimental settings. These principles, particularly visibility (e.g., surveillance cues) and self-engagement (e.g., self-affirmations), have demonstrated consistent results in mitigating dishonesty and unethical conduct.

The recent study by Decrinis (2024) further expands on this by identifying how nudging can be institutionalized in organizational ethics programs to complement traditional compliance mechanisms. Her findings underscore the role of behavioral interventions in reducing ethical fading and enhancing ethical awareness, particularly in ambiguous or high-pressure environments. This aligns with Bazerman and Tenbrunsel's (2011) concept of "blind spots" in ethical decision-making, wherein individuals unconsciously deviate from ethical norms due to cognitive limitations or contextual pressures.

A comparative analysis with previous studies reveals nuanced insights. For example, Martuza et al. (2022) examined honesty nudges in the insurance sector and found that pre-task honesty pledges significantly reduced dishonest claims. Similarly, Peer and Feldman (2021) advocated for honesty pledges as a regulatory tool, which aligns with Feldman and Kaplan's (2021) proposition that behavioral ethics can enhance compliance frameworks by preemptively activating ethical norms.

In contrast, Bolton, Dimant, and Schmidt (2021) cautioned that nudges can backfire when combined with implausible deniability or conflicting incentives. Their field experiments indicated that poorly designed nudges might be perceived as manipulative, leading to reactance or strategic resistance. This is echoed in Rozeboom's (2023) critical analysis of

managerial nudges, where he argues for rigorous evaluation metrics to ensure nudges are ethically permissible and practically effective.

From a cultural and structural standpoint, Cabana and Kaptein (2024) emphasized that the success of nudges is moderated by team ethical culture. Their study on coupling mechanisms in teams demonstrated that well-implemented ethics programs that integrate nudging principles can foster collective accountability and ethical consistency. This perspective resonates with Brown, Treviño, and Harrison's (2005) findings that ethical leadership can reinforce social learning processes, which are vital for the internalization of nudged behaviors.

Moreover, field studies in industrial settings, such as those by Costa et al. (2024), show practical applications of nudges in improving safety behavior through visual cues and reminders. These interventions not only improved compliance with safety protocols but also reduced incidents, suggesting that nudges can have a significant impact when operationalized effectively.

However, there is ongoing debate regarding the ethical legitimacy of using nudges in organizational settings. Sunstein (2015) addressed this by advocating for transparency, accountability, and choice-preserving structures in the design of nudges. Rühle (2023) expanded on this by proposing a normative framework that reconciles justification (effectiveness) with legitimation (moral acceptability), a crucial consideration for corporate policymakers.

Another important insight emerges from Friedland, Myrseth, and Balkin (2023), who argue that nudges should be coupled with reflective mechanisms to avoid ethical automatism. Their concept of "ethical reflection over behavioral reaction" suggests that nudges, while useful, must be designed to trigger conscious ethical deliberation rather than passive compliance.

Furthermore, the interplay between organizational justice and nudging is a recurring theme. Ambrose, Seabright, and Schminke (2002) demonstrated that perceptions of injustice are strongly correlated with workplace sabotage. Nudges that enhance transparency and fairness, such as real-time feedback or participatory rule-setting, can mitigate these perceptions, thus curbing retaliatory behavior. This is supported by Jannat et al. (2021), who showed that ethics programs framed around coping appraisal (e.g., empowerment through choice) are more effective than those based on threat appraisal.

The comparative effectiveness of nudging versus traditional ethics training is another area of interest. Hauser (2020) found that interactive, behaviorally-informed ethics training programs were more effective in sustaining long-term ethical behavior than lecture-based methods. This is reinforced by Craft (2010), who emphasized the importance of continuous and adaptive training that incorporates real-world decision scenarios and behavioral cues.

Moreover, the integration of digital nudges presents new opportunities and challenges. Sharma et al. (2021) explored how framing and priming in cybersecurity protocols influenced employee compliance, showing that subtle changes in wording and interface design significantly impacted behavior. Leicht-Deobald et al. (2019) also raised ethical concerns about algorithmic nudges, particularly in HR decision-making, highlighting risks related to personal integrity and transparency.

Finally, the issue of scalability and policy integration remains pivotal. Benartzi et al. (2017) called for greater governmental investment in nudging strategies, arguing that they offer high returns on minimal investment. Haugh (2017) extended this to corporate compliance, suggesting that behavioral insights can be embedded into codes of conduct and internal audit mechanisms to proactively deter misconduct.

The literature underscores that nudging holds significant promise in enhancing corporate ethics and reducing misconduct. However, its success depends on thoughtful design, ethical justification, cultural alignment, and ongoing evaluation. Future research should focus on longitudinal studies and sector-specific applications to refine the practical utility of nudging in diverse organizational contexts.

## 6. Conclusions

This qualitative literature review has critically examined how nudging—subtle behavioral interventions designed to influence decision-making—has been applied in corporate settings to enhance ethical behavior and mitigate organizational misconduct. The evidence indicates that nudging strategies, including reminders, environmental cues, default settings, and visual

prompts, can significantly affect employee behavior by activating ethical awareness and reducing cognitive biases (Ayal et al., 2015; Gino & Pierce, 2010; Leonie Decrinis, 2024).

The integration of nudging into ethics programs offers a practical complement to traditional compliance mechanisms. Unlike punitive or prescriptive approaches, nudges respect individual autonomy while steering people toward more ethical choices (Sunstein, 2015; Haugh, 2017). Research from field experiments (e.g., Costa et al., 2024; Ayal, Celse, & Hochman, 2021) reinforces that contextually tailored nudges—such as social norm cues or visual reminders—are effective in real-world organizational environments.

A comparative analysis of eight prior studies shows varying levels of success, largely dependent on the alignment of the nudges with organizational culture and the cognitive load of decision-makers (Bazerman & Sezer, 2016; Hauser et al., 2018; Kaptein, 2015). For example, while Martuza et al. (2022) questioned the scalability of honesty nudges in insurance contexts, Feldman and Halali (2019) found that even subtle behavioral prompts could mitigate conflicts of interest among professionals.

Moreover, nudging can be especially valuable in addressing "ethical fading"—a process where ethical considerations become obscured during routine business decisions (Tenbrunsel & Messick, 2004; Rees, Tenbrunsel, & Bazerman, 2019). As such, nudging may not only enhance individual ethical behavior but also contribute to creating a more ethically aware organizational climate (Cabana & Kaptein, 2024).

Overall, this review supports the notion that ethical nudging can serve as a promising tool in the behavioral ethics arsenal, particularly when used in conjunction with broader ethical leadership and culture-building efforts (Brown, Treviño, & Harrison, 2005; Leicht-Deobald et al., 2019).

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